

**Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Responses to the Attorney General's Seventh Set of Information Requests**

Request No. AG-7-6 (Gas)

Please provide copies of all Interruptible Transportation agreements currently in effect. Include all pricing terms and copies of the Department's approval of each agreement. For each agreement, provide the test year monthly revenues, segregating the revenues into volumetric, demand and customer charge revenues.

Response:

The Gas Division currently has four Interruptible Transportation agreements in effect. The Department does not require individual Interruptible Transportation Standard Contracts to be filed. The Gas Division received approval of its Standard Offer Contract on July 2, 1997. Attachment 1 AG-7-6 provides the DTE approval of the Standard Contract and copies of the four agreements. Attachment 2 AG-7-6 provides interruptible transportation volumes and revenues by customer for the test year, 2001.

Attachment 2 AG-7-6 is provided in single copy to the Hearing Officer and to the parties that have signed confidentiality agreements because it is deemed confidential by FG&E. A Motion for Confidential Treatment is filed herewith.

Person Responsible: Karen M. Asbury

Attachment 1 AG-7-6



The Commonwealth of Massachusetts
Department of Public Utilities
Leverett Saltonstall Building, Government Center
100 Cambridge Street, Boston 02202

July 2, 1997

Frederick J. Stewart
Vice President Communication and Regulation Services
Unitil Services Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

Re: Revised Standard Offer Contract for Interruptible Transportation, GC 97-13

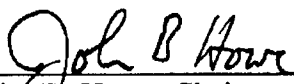
Dear Mr. Stewart:

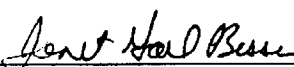
On June 2, 1997, Fitchburg Gas and Electric Light Company ("Fitchburg or Company") submitted to the Department of Public Utilities ("Department") a request for approval of a revised standard offer contract for interruptible transportation ("IT Contract").

The Department notes that the proposed IT Contract would replace the Company's current IT Contract that was approved by the Department on June 28, 1996. The Department finds that the proposed IT Contract is in compliance with directives set forth in Interruptible Transportation/Capacity Release, D.P.U. 93-141-A (1996).

The Department recognizes that pricing under the proposed IT Contract exceeds the Company's marginal cost for providing this service, and therefore, the Agreement is hereby approved. However, in the event that the rate for interruptible transportation becomes less than the Company's marginal cost for this service, the Company may not provide service under this Agreement without prior approval from the Department.

Very truly yours,


John B. Howe, Chairman


Janet Gail Besser, Commissioner

cc: Mary L. Cottrell, Secretary
James W. Stetson, Esq.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

STANDARD OFFER CONTRACT

FOR

INTERRUPTIBLE TRANSPORTATION

OF GAS

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
STANDARD OFFER CONTRACT FOR
INTERRUPTIBLE TRANSPORTATION
OF GAS

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FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
STANDARD OFFER CONTRACT FOR
INTERRUPTIBLE TRANSPORTATION
OF GAS

This Agreement is made this 9th day of May, 2002, by and between Fitchburg Gas and Electric Light Company, a Massachusetts corporation located in the City of Fitchburg, Massachusetts (herein after referred to as the "Company") and The Newark Group doing business as Newark America, a New Jersey corporation located in Cranford, New Jersey (herein after referred to as the "Customer").

WHEREAS, the Company owns and operates a gas distribution system in the Commonwealth of Massachusetts; and

WHEREAS, the Customer may acquire, from time to time, quantities of gas for its own use which the Customer desires the Company to transport through the Company's distribution system to the Customer's facilities on an interruptible basis; and

WHEREAS, the Company is willing to provide such interruptible transportation service to the Customer;

NOW, THEREFORE, in consideration of the mutual agreements set forth below, it is agreed as follows:

1. DEFINITIONS

When used in this Agreement with initial capitalization, whether in singular or plural form, the following terms shall have the meaning set forth below:

- 1.1. Agreement: This Standard Offer Contract for Interruptible Transportation of Gas, including all of its Exhibits, as may be amended periodically.
- 1.2. Bill: A monthly statement of charges from the Company to the Customer for services rendered in the preceding Billing Month(s).
- 1.3. Billing Date: The date on which a bill is rendered by the Company to the Customer.

- 1.4. Billing Month: The period between monthly meter readings which measures services rendered for which Bills are prepared. The Billing Month shall be as near as practicable to a calendar month.

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- 1.5. BTU: British Thermal Unit.
- 1.6. Contracted Gas: The gas delivered to the Company, for the Customer's account, pursuant to this Agreement.
- 1.7. Curtailment: A reduction in the volume of gas nominated for transportation by the Customer under this Agreement, which may continue for a defined period or indefinitely.
- 1.8. Customer's Alternative Fuel: The non-gas fuel that the Customer will use to operate its dual-fuel equipment when the Company is not transporting gas for the Customer pursuant to this Agreement.
- 1.9. Customer's Supplier: The party who, pursuant to an agreement with the Customer, will provide the Customer with the Contracted Gas.
- 1.10. Daily Imbalance: The Customer's daily imbalance is defined as the difference between the Daily Scheduled Quantity minus the Retention Amount and the actual metered gas quantity, measured in Therms.
- 1.11. Daily Scheduled Quantity: The daily amount of Contracted Gas, in Therms, the Customer requests the Company to transport each Day.
- 1.12. Daily Variance Limit: The Customer's Daily Variance Limit is 10% of the Daily Scheduled Quantity minus the Retention Amount, in Therms. The actual metered gas quantity shall not exceed 102% of the Maximum Allowable Amount of Contracted Gas.
- 1.13. Day: A period of twenty-four (24) consecutive hours, beginning at 10:00 a.m., local time, and ending at 10:00 a.m. on the next calendar day.
- 1.14. Delivered Gas: The gas delivered to the Customer by the Company pursuant to the terms of this Agreement.
- 1.15. Department: Massachusetts Department of Telecommunications and Energy.
- 1.16. Facility: The facility of the Customer located at 100 Newark Way, Fitchburg, Massachusetts.
- 1.17. FERC: Federal Energy Regulatory Commission.

- 1.18. Interruption: The complete discontinuance of delivery of the volume of gas nominated for transportation by the Customer under this Agreement, which may continue for a defined or indefinite period.
- 1.19. Maximum Allowable Amount of Contracted Gas: The maximum amount of gas expressed in Therms per Day, to be transported pursuant to the terms of this Agreement.
- 1.20. MMBTU: One Million (1,000,000) BTU's = 10 Therms.
- 1.21. Monthly Imbalance : The net cumulative total of the Daily Imbalances for the Billing Month.
- 1.22. Parties: The Company and the Customer.
- 1.23. Point of Delivery: The place at which the Company will deliver the Delivered Gas to the Customer, in this case the Customer's meter located at the Facility in Fitchburg, MA.
- 1.24. Point of Receipt: The place at which the Company will receive, into its distribution system from the Customer's Supplier, the Contracted Gas, namely the Company's take station, designated as Tennessee Gas Pipeline Station No. 2-0112, in Lunenburg, MA.
- 1.25. Retention Amount: One percent of the total gas supplied to the Customer, calculated by dividing the actual metered gas quantity by 0.99. The Retention Amount covers the losses associated with the operation of the Company's distribution system.
- 1.26. Therm: 1 Therm = 100,000 BTU's.

2. CONDITIONS PRECEDENT

- 2.1. The Customer shall assume responsibility for the cost of any and all additional facilities required to serve the Customer, as determined by the Company, including but not limited to any required gas mains, service lines, meters, telemetering equipment and telephone lines.
- 2.2. No request for interruptible transportation will be granted or considered valid, if to do so would impair the Company's ability to meet its firm sales and firm transportation obligations.
- 2.3. The Customer shall provide and maintain at its own liability and expense such mains or pipes as may be required to convey the gas furnished from the Point of Delivery to points of use, except that no such mains or pipes shall be constructed, rented, leased, maintained, or used directly or indirectly by the Customer in, over, under, or along public ways and shall conform with applicable Federal, State and Local regulations and codes.

- 2.4. The Customer represents and warrants that it has alternative fuel capability at the Facility or that it has taken such other measures as it deems prudent to assume the risk that natural gas service to the Facility may be Interrupted or Curtailed by the Company or by the Customer's Supplier or by any pipeline company transporting Customer's Contracted Gas to the Point of Receipt at any time. The Company shall not be liable to the Customer or to any third parties (for example, customers of Customer's business) for any losses or damages resulting from any Curtailment or Interruption, including a permanent Interruption, whether or not notice of such Curtailment or Interruption is given.

3. SCOPE OF AGREEMENT

- 3.1. When requested by the Customer, with adequate notice as described herein, the Company will receive from the Customer's Supplier at the Point of Receipt, the Contracted Gas applicable to that Day and will transport the Delivered Gas to the Customer at the Point of Delivery.

4. TERM OF AGREEMENT

- 4.1. This Agreement shall begin on or about May 1, 2002, and shall continue in effect until October 31, 2002.

5. EFFECTIVE DATE OF AGREEMENT

- 5.1. This Agreement and any subsequent amendments to the Agreement shall become effective upon execution

6. CURTAILMENT/INTERRUPTION PROVISIONS

- 6.1. During normal operations the Company may, at its sole discretion, for any reason, Curtail or Interrupt service to the Customer. The Company will provide to Customer as much notice as is reasonably practicable prior to Curtailment or Interruption. During other than normal operations where the Company determines in its sole judgment that an immediate Curtailment or Interruption is necessary, the Company will Curtail or Interrupt service without notice to the Customer. Any notice of Curtailment or Interruption will be made to the following telephone numbers as appropriate:

8:00 a.m. - 6:00 p.m.: 978 479 4343

The Customer shall be available to receive such notice of Curtailment or Interruption 24 hours a day.

- 6.2. Any gas usage by the Customer above the level of Curtailment or after being Interrupted shall be considered unauthorized use. The charge for such unauthorized use shall be calculated by multiplying a) the sum of i) the actual metered gas in any Day, minus ii) the authorized level of gas use, plus iii) the Retention Amount, times b) the Company's incremental cost, including but not limited to, a) the highest cost of gas used by the Company on that Day, plus b) incremental transportation costs, plus c) incremental labor costs, plus d) all applicable charges under the Company's Schedule G-T, plus e) \$2.00 per Therm. Balancing charges pursuant to Section 12.1 shall also apply. The Daily Scheduled Quantity will be assumed to be zero for purposes of calculating balancing charges for unauthorized use. Nothing in this Agreement shall be construed so as to preclude the Company from entering into other agreements to transport gas for others whether or not performance of such other agreements will impair the Company's ability to perform under the terms of this Agreement.

7. LIMITED BACKUP SERVICE (NOT AVAILABLE HEREUNDER)

- ~~7.1. In the event of an Interruption, Curtailment or failure of the Customer's Contracted Gas to reach the Point of Receipt, the Company is under no obligation to provide backup service to the Customer under any circumstances. However, at its sole discretion, the Company will provide limited backup service at the Customer's request. Such request to the Company must identify the volume of gas required and may be for any volume of gas, up to the Maximum Allowable Amount of Contracted Gas to be transported pursuant to the terms of this Agreement.~~
- ~~7.2. The intent of this service is to provide backup only under emergency circumstances. As such, this service will be limited to 5 consecutive days use up to a maximum of 30 days use in a year. Any unauthorized use above these limits will be priced as specified in Section 7.3 and 7.4, plus an additional charge of \$2.00 per Therm. In no event, will the Company provide backup service if, in the Company's sole judgment, its firm sales or firm transportation customers would be harmed.~~

- ~~7.3. The charge for Backup Service shall be calculated for each day by multiplying the Daily Scheduled Quantity times the Company's incremental cost, including but not limited to, the highest cost of gas used by the Company on that Day, plus incremental transportation costs, plus incremental labor costs, plus all applicable charges under the Company's Schedule G-T.~~
- 7.4. ~~Daily Imbalances of the volume of gas scheduled for backup service shall be assessed Daily Balancing Charges in accordance with Section 12.1. The Customer will buy negative Daily Imbalances, that is, the volumes of gas scheduled for backup less the Retention Amount are less than the actual metered gas in any Day, from the Company. The imbalance shall be priced at the Company's incremental cost on that Day, as defined above, and the percentage imbalance premiums for negative imbalances in accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor, shall also apply.~~

8. QUALITY OF CONTRACTED GAS

- 8.1. The Contracted Gas shall in all respects meet the quality and condition specifications for gas service contained in the FERC Natural Gas Tariffs of the Company's pipeline transporters.

9. TITLE OF CONTRACTED GAS

- 9.1. The Customer warrants that, at the time of delivery of the Contracted Gas to the Company, the Customer will have good title to the Contracted Gas, free of all liens, encumbrances and claims. The Customer will indemnify and save harmless the Company from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of any adverse legal claims to the Contracted Gas. The Contracted Gas will remain the sole property of the Customer while being transported by the Company. The Company reserves the right to commingle the Contracted Gas with other gas.

10. DETERMINATION OF AMOUNT OF CONTRACTED GAS

10.1. The Customer's dispatcher (or its designee) shall notify the Company's dispatcher of the daily amount of Contracted Gas it requests the Company to transport, the Daily Scheduled Quantity, and the Points of Delivery and Receipt for such gas on any Day, at least four (4) hours prior to Tennessee Gas Pipeline Company's scheduling deadline on such Day, unless the Company's dispatcher agrees to a shorter time period for such advance notice. Before the Customer so notifies the Company, it shall have previously arranged with the Customer's Supplier to be ready to deliver such Contracted Gas to the Point of Receipt. However, first of the month transportation nominations are due by notifying the Company four (4) business days prior to the beginning of such month or twenty-four (24) hours before Tennessee Gas Pipeline first of the month deadline, whichever is earlier. The Customer's notification to the Company must identify all upstream transportation contracts delivering the Contracted Gas and associated delivered quantities on each contract to the Point of Receipt. After such advance notice by the Customer, the Company's dispatcher will, as promptly as is practicable, advise the Customer's dispatcher of the portion of the Contracted Gas so requested by the Customer which the Company will transport to the Point of Delivery. The Company is under no obligation to transport to the Point of Delivery more than the quantity of Contracted Gas that is scheduled for delivery to the Point of Receipt, less the Retention Amount, on any Day. Volumes taken by the Customer which are greater or less than the volume of Contracted Gas, less the Retention Amount, on any Day will constitute a Daily Imbalance subject to the limitations of Section 1.12. The Company reserves the right to take any actions the Company deems necessary to protect system operations in the event of a Customer imbalance.

11. CHARGE FOR TRANSPORTATION SERVICE

11.1. The monthly charge for transportation services will be determined as follows regardless of the Customer's contractual source of gas:

$$C = Q \text{ times } P$$

where:

C = monthly charge for transportation services

Q = the quantity of Delivered Gas in MMBTU as determined in Section 14 plus the Retention Amount.

and :

If the Customer has alternative fuel capabilities,

$$P = (F - EMCC \pm A)$$

If the Customer has no alternative fuel capabilities,

$$P = (M - EMCC)$$

where:

P = the Price in dollars per MMBTU of transportation service.

F = the estimated cost of the Customer's Alternative Fuel for the Billing Month expressed in dollars per MMBTU, as determined by the Company on the twenty-first day, or the next working day if the twenty-first day is a weekend or a holiday, of the calendar month preceding the Billing Month during which this charge will apply.

M = the estimated market based value of energy supplied to the Customer for the Billing Month, expressed in dollars per MMBTU, as mutually agreed upon by the Parties.

EMCC = the estimated marginal commodity cost of the Company's pipeline natural gas for the Billing Month, expressed in dollars per MMBTU, as determined by the Company on the twenty-first day, or the next working day, if the twenty-first day is a weekend or holiday, of the calendar month preceding the Billing Month during which this charge will apply.

A = an adjustment factor expressed in dollars per MMBTU as mutually agreed to by the Parties and set forth on Exhibit I attached hereto.

- 11.2. It is the goal of this contract to maximize the use of transportation service hereunder. If the Price determined in accordance with Section 11.1 does not accomplish this goal, then the Price may be overridden upon mutual agreement of the Parties, followed by a written acknowledgment signed by the Parties. This revised Price shall remain in effect for the remainder of the Billing Month.
- 11.3. The Company may also offer a fixed price for transportation services hereunder for periods longer than one month.
- 11.4. In no event will the Price be less than \$0.10 per MMBTU, which represents the Company's marginal variable cost of providing IT service.

12. BALANCING CHARGES

12.1. Daily Balancing Charge

- (1) If the Customer's Daily Imbalance exceeds the Daily Variance Limit, the Customer will be assessed a balancing charge equal to a) the applicable daily variance penalty charged in accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor multiplied by b) the Customer's imbalance in excess of the Daily Variance Limit. The Company will waive this daily variance penalty during any period that Tennessee Gas Pipeline Company is waiving its' daily variance penalty.
- (2) In addition to any applicable Daily Balancing Charges in Section 12.1(1) above, if the Customer's daily metered gas usage is in excess of 102% of the Maximum Allowable Amount of Contracted Gas, the Customer will be assessed a balancing charge of \$1.50 per Therm multiplied by the amount in excess of 102% of the Maximum Allowable Amount of Contracted Gas.

12.2. Monthly Balancing Charge

- (1) If the Monthly Imbalance is positive, that is, the scheduled quantities minus the Retention Amount exceed actual deliveries, then the Company will buy such imbalance from the Customer.
- (2) If the Monthly Imbalance is negative, that is, the scheduled quantities minus the Retention Amount are less than actual deliveries, then the Customer will buy such imbalance from the Company.
- (3) In either case, the price of the gas will be equal to Tennessee Gas Pipeline Company's cashout price for the month. The percentage imbalance premiums or discounts for positive and negative imbalances in accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor, shall also apply.

13. PROVISION FOR FUTURE TAXES

- 13.1. In addition to other payments provided for herein, the Customer shall pay the Company the amount of any tax (e.g. sales or excise tax) on the transportation of gas through the Company's gas distribution system, not now in effect, which the Company may hereafter be required to pay or collect by any federal, state or local law.

14. METERING

- 14.1. The Company shall install metering and telemetering equipment, including, but not limited to, necessary telephone lines and automatic reading devices which meet the specifications of the Company and allow the Company to read the Customer's meter on an hourly basis. The Customer will pay the Company for such metering, telemetering equipment and telephone line expenses prior to service being rendered to the Customer. In addition, the Customer will pay for all monthly telephone line charges associated with the telemetering equipment. In the event that the telemetering equipment or telephone connection fails, the Customer shall be responsible for reading the meter and promptly reporting these readings to the Company, as directed.
- 14.2. Meter reading for monthly billing purposes will be taken, so far as practicable, at periodic intervals of approximately thirty (30) days. The Company reserves the right to take meter readings and render Bills for shorter intervals. The meters will be read by a representative of the Company and the Customer's representative may be present. Telemetering or other remote equipment will be used to measure daily gas flow for determining daily balancing charges. The meters will register volumes of gas and will thereafter be converted for billing purposes to MMBTU's based on the average BTU content per cubic foot in the service area during the Billing Month.
- 14.3. If the metering equipment fails to register, or registers incorrectly, the Company will estimate as accurately as is practicable, the quantity of unmetered or incorrectly metered gas delivered. The Customer will pay, in accordance with terms of this Agreement, for the estimated services rendered.
- 14.4. The Company, at its expense, shall periodically inspect, replace, and test its meters at intervals not exceeding the period designated for replacement under applicable provisions of the

Massachusetts General Laws, if any, as amended from time to time. At the written request of the Customer, the Company shall make additional tests of any or all such meters in the presence of the Customer. The cost of such additional tests shall be borne by the Customer if the percent of error is found to be less than two percent (2%) slow or fast and borne by the Company if the percent of error is found to be more than two percent (2%) slow or fast.

15. TERMS OF PAYMENT

- 15.1. The charges for service under this contract shall be billed monthly and be payable upon presentation of a bill. Interest charges will be added from the date of the original bill if current charges are not paid and received by the Company or its agents within ten (10) days from the date on the bill. The interest charges shall be calculated at an annual rate of interest which is the equivalent of the rate paid on two-year United States Treasury notes for the preceding 12 months ending December 31st of any year, plus ten percent, i.e. 1000 basis points, in accordance with 220 C.M.R. 26.00. The monthly interest charge is also added to accounts until all arrears have been paid.
- 15.2. If the Customer fails to make a payment within ten (10) days from the date on the bill, the Company may terminate this Agreement with five (5) days notice (without waiving any other rights the Company may have such as the right to receive any and all payments due hereunder, including without limitation, any late payment charges accrued with respect thereto as provided for in Section 15.1).
- 15.3. In the event the Customer, in good faith, disputes the amount of any bill, the Customer shall pay the undisputed portion of such bill and shall notify the Company in writing of such dispute no later than ten days from the date of the bill, indicating the amount of such bill subject to dispute and briefly describing the nature of such dispute. In such event, the Parties shall use their best efforts to resolve such dispute within a reasonable period of time not to exceed thirty days from the date of such notice. Interest on the disputed portion of any such bill shall not be payable during the dispute period but is billable to the Customer for that period if subsequently the merits of the dispute are found to be unwarranted by the Company.

16. CUSTOMER DEPOSITS

- 16.1. The Company may, at its option, require a deposit, prepayment or other arrangement to guarantee payment for services rendered hereunder. Such deposit or other arrangements will be specified on Exhpt I, hereto.

17. ACCESS TO CUSTOMER'S PREMISES

- 17.1. Properly authorized representatives of the Company will be entitled to enter the Customer's premises at any time for any reason related to the transportation and utilization of gas under this Agreement.

18. PUBLIC REGULATION

- 18.1. The Company is a public utility subject to regulation by the Massachusetts Department of Telecommunications and Energy. Compliance by the Company with any order, rule, or regulation of the Department or any other regulatory authority with jurisdiction which modifies the provisions of this Agreement shall not constitute a breach hereof. Any amendments to this Agreement that may be required as a result of any order, rule, or regulation shall be made in accordance with Section 23.3. Either the Company or the Customer, if affected adversely by such order, shall have the option after the issuance of such order to terminate this Agreement by giving sixty (60) days written notice of termination to the other Party.

19. MODIFICATION OF SUPPLIER OR PIPELINE TRANSPORTATION

- 19.1. The Customer shall give the Company written notice of any modification to any of the Customer's agreement(s) for the purchase or delivery of the Contracted Gas to the Company's system occurring or made effective after the execution of this Agreement. Such modification shall not obligate the Company to modify this Agreement in accordance therewith, but the Company retains the right to do so. The Customer's ability to procure and deliver the Contracted Gas to the Company's satisfaction is a continuing obligation. The Customer's failure to remain in continuing compliance shall be deemed a default of the Agreement in accordance with Section 20.

20. DEFAULT

- 20.1. If either Party shall fail to perform or otherwise be in default of any of its obligations under this Agreement, the other Party may terminate this Agreement by giving the defaulting Party written notice stating specifically the nature of the default and giving notice of termination. Any termination of this Agreement shall be without prejudice of the right of the Company to collect any payments due the Company for service hereunder prior to the time of termination including interest, late payment charges and any properly applied charges for imbalances.
- 20.2. Any Party in default shall have five (5) days after such notice is given in which to remedy the default to the extent required under this Agreement. If such default is remedied and the notifying Party is fully indemnified for any and all consequences, then this Agreement shall continue in full force and effect. If the default is not remedied, then the notifying Party shall have the right to terminate this Agreement immediately without further notice.

21. FORCE MAJEURE

- 21.1. Neither Party shall be liable for any breach, delay, or nonperformance hereunder, whether material or immaterial, or whether affecting total or partial performance, which directly, or indirectly, results from, or is caused, in whole or in part, by revolutions, or other disorders; wars; declared or undeclared acts of public enemies; or other restrictions imposed by laws; arrest or restraint of officials; or acts of God; accidents; or by breakdown or injury to storage facilities, pipelines, machinery, or other facilities of either Party used for production, manufacturing, transportation, delivery, receiving, storage, handling, or utilization of the products purchased hereunder; or by fires, storms, explosions, or other casualties; or by strikes, lockouts, stoppage, or restraint of labor, either partial or general, from whatever cause; or if performance hereunder is hindered, delayed, or prevented by, or would violate or controvert any law, rule, order or request of government, Federal, State, or foreign, or any agency or representative thereof; or which directly or indirectly results from any cause beyond either Parties' control, whether such other causes be of the classes herein specifically provided for, or not. Force Majeure shall not relieve the Customer from making payments due for service rendered prior to or during the Force Majeure event in accordance with this Agreement.

22. NOTICES

- 22.1. Except as provided in Section 10 above, all notices required or permitted to be given hereunder shall be deemed given upon mailing such notices by registered or certified mail, postage prepaid, addressed as follows:

If to Customer: Mr. Dana Pelletier
Newark America
100 Newark Way
Fitchburg, MA 01420

With copy to: Russell Yoas
Yorktowne Paperboard Corp.
1001 Loucks Mill Road
York, PA 17402

If to Company: Fitchburg Gas and Electric Light Company
285 John Fitch Highway
Fitchburg, MA 01420
Attn: General Manager

With copy to: Unitil Service Corp.
6 Liberty Lane west
Hampton, NH 03842
Attn: Director Business Development

Either Party may change its notice address by giving written notice of such new address to the other Party.

23. MISCELLANEOUS

- 23.1. This Agreement, together with the Exhibits attached hereto, represent the entire Agreement between the Parties with respect to the interruptible transportation of gas, and supersedes in all respects any prior or contemporaneous agreements between the Parties, written or oral, with respect to the interruptible transportation of gas. All amendments to this Agreement will be by mutual agreement and evidenced by a written amendment signed by the Parties.
- 23.2. This Agreement shall be binding on and shall inure to the benefit of the Parties hereto and their respective successors and assigns. This Agreement may not be assigned by the Customer without the prior written consent by the Company which consent shall not be unreasonably withheld.

23.3. This Agreement will be construed in accordance with and controlled by the laws of the Commonwealth of Massachusetts.

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23.4. This Agreement shall be subject to the Rules and Regulations of the Company's Tariff for Gas Service as filed by the Company from time to time with the Department, where applicable. In the event of a conflict between said Rules and Regulations and the provisions of this Agreement, this Agreement shall govern.

23.5. Notwithstanding any other provision to the contrary, no waiver by either Party of any default(s) or breach(es) of any of the obligations contained in this Agreement to be performed by the other Party shall be construed as a waiver of any succeeding default(s) or breach(es) of the same or any other obligation or conditions.

23.6. In case any provision of this Agreement shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of such contract and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

23.7. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

23.8. The various headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretations of this Agreement or any provision hereof.

23.9. Neither the Company nor the Customer shall be liable to the other or any party claiming through the other for special or consequential damages.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

The Newark Group dba Newark America

Fitchburg Gas and Electric Light Company

By:



Dana Pelletier
General Manager
Customer

By:



Frederick J. Stewart
Vice President Business Development
Unitil Service Corp.
Company

Exhibit I

Company: Fitchburg Gas and Electric Light Company

Customer: The Newark Group dba Newark America

Maximum Allowable Amount of Contracted Gas: 40,000 Therms/day

Estimated Deliveries during Term*: 5,107,400 Therms

Customer's Alternative Fuel: No. 2 Oil, 0.5% Sulfur Content

A (adjustment factor pursuant to Section 11.1) = : N/A

Customer Elects Fixed Price Option (Section 11.3) Price =: \$0.145 per Therm

Customer Deposit Required (Section 16.1) = : \$100,000

* Assumes no interruption or curtailment

THE NEWARK GROUP, INC.
CONFIDENTIAL INFORMATION NON-DISCLOSURE AGREEMENT

THIS AGREEMENT, made as of the 3rd day of May 2002, by and between THE NEWARK GROUP, INC., a New Jersey corporation doing business as Newark America with offices at 100 Newark Way, Fitchburg, MA 01420 ("Newark"), and Unitil Service Corp., a New Hampshire corporation, with its principal place of business at 6 Liberty Lane West, Hampton, NH 03842 ("Unitil").

Background

- A. Newark possesses Trade Secrets and Confidential Information (hereinbelow defined) with respect to the manufacture, marketing and sale of recycled paperboard and products converted therefrom.
- B. Unitil possesses Trade Secrets and Confidential Information with respect to the marketing and distribution of electricity and natural gas.
- C. Newark and Unitil wish to provide such Trade Secrets and Confidential Information to each other for evaluation purposes only so as to determine if there is a mutual interest in the parties entering into a business arrangement with each other.

Terms

NOW, THEREFORE, the parties hereby agree as follows:

1. **Definitions.**

- a. "Trade Secrets" shall mean designs, processes, procedures, or formulas or improvements of either party that are of value and secret in that they are not generally known to competitors.
- b. "Confidential Information" shall mean any data or information of either party other than Trade Secrets, such as business know-how, selling and pricing procedures, business, marketing, and manufacturing plans and strategies and customer lists, which are competitively sensitive and not generally known to the public.
- c. In order for any information to be deemed "Confidential Information," or a "Trade Secret" subject to the protection of this Agreement, the same must be in written form and appropriately marked "Confidential" at the time of disclosure to the receiving party, or alternatively, if the information is disclosed orally, the same must be confirmed as "Confidential" in writing by the disclosing party within ten (10) days

of such disclosure.

- d. "Trade Secret" or "Confidential Information" shall not include any data or information that:
- (i) is in or becomes part of the public domain by any means other than the receiving party's breach of its obligations hereunder, or
 - (ii) was known to the receiving party at the time of disclosure by the disclosing party, or
 - (iii) is, at any time, disclosed to the receiving party by any third party having the right to disclose the same, or
 - (iv) is developed by an employee of the receiving party who was not privy to any Trade Secrets or Confidential Information disclosed by the disclosing party pursuant to this Agreement.
2. **Trade Secrets.** For so long as such information is a Trade Secret, neither party shall, directly or indirectly use a Trade Secret of the other party except in the course of performing the evaluation hereunder for which such Trade Secret was disclosed.
3. **Confidential Information.** During the period of three (3) years from the date of this Agreement, neither party will, directly or indirectly, use any Confidential Information of the other party except in the course of performing the evaluation hereunder for which such Confidential Information was disclosed.
4. **Restrictions On Use.** Neither party shall disclose any Trade Secrets or Confidential Information of the other party within its own organization except to the extent necessary to complete the evaluation of the same for the purposes set forth above. Any employee who is granted access to such Trade Secrets or Confidential Information shall be advised of the receiving party's obligation of confidentiality and non-use hereunder and shall agree to the same. Any Trade Secrets or Confidential Information disclosed hereunder shall be used by the receiving party exclusively for the purposes of evaluation set forth above and shall not use the same for its own benefit or the benefit of any third party.
5. **Return Of Materials.** All materials, including, without limitation, documents, drawings, models, apparatus, sketches, designs and lists, furnished to the receiving party by the disclosing party and which are designated in writing to be "Proprietary" or "Confidential" shall be returned to the disclosing party promptly at its request together with all copies made thereof.
6. **Validity And Enforcement.** The provisions of this Agreement are separable, and the unenforceability of one or more provisions shall not affect the enforceability of any other.

7. **Applicable Law.** This Agreement shall be governed by and construed under the laws of the Commonwealth of Massachusetts without regard to the conflict of laws provisions thereof.
8. **Injunctive Relief.** Each party acknowledges that a remedy at law for any breach or threatened breach of the provisions of Paragraphs 2, 3, 4, or 5 hereof would be inadequate and therefore agrees that the disclosing party shall be entitled to injunctive relief against the receiving party in case of any such breach or threatened breach. Such temporary or permanent injunctive relief will in no way limit any other remedies the disclosing party may have as a result of a breach by the receiving party of any of the covenants contained herein.
9. **No License.** Nothing contained herein shall be deemed or construed as requiring either party to grant to the other any rights or licenses relating to Trade Secrets or Confidential Information or products embodying the same.

IN WITNESS WHEREOF, Newark and Unitil have caused this Agreement to be executed in duplicate by their duly authorized officers on the date and year first above written.

THE NEWARK GROUP, INC.
d/b/a NEWARK AMERICA

UNITIL SERVICE CORP.

By: 

Name: DANA PELLETIER

Title: GENERAL MANAGER

By: 

Name: Frederick J. Stewart

Title: Vice president Business Development

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

STANDARD OFFER CONTRACT

FOR

INTERRUPTIBLE TRANSPORTATION

OF GAS

Filed: June 2, 1997

Effective Date: July 2, 1997

Approved: July 2, 1997

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
STANDARD OFFER CONTRACT FOR
INTERRUPTIBLE TRANSPORTATION
OF GAS

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FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
STANDARD OFFER CONTRACT FOR
INTERRUPTIBLE TRANSPORTATION
OF GAS

This Agreement is made this 30th day of September 1999, by and between Fitchburg Gas and Electric Light Company, a Massachusetts corporation located in the City of Fitchburg, Massachusetts (herein after referred to as the "Company") and Wachusett Potato Chip Co., Inc. Massachusetts corporation located in Fitchburg, MA (herein after referred to as the "Customer").

WHEREAS, the Company owns and operates a gas distribution system in the Commonwealth of Massachusetts; and

WHEREAS, the Customer may acquire, from time to time, quantities of gas for its own use which the Customer desires the Company to transport through the Company's distribution system to the Customer's facilities on an interruptible basis; and

WHEREAS, the Company is willing to provide such interruptible transportation service to the Customer;

NOW, THEREFORE, in consideration of the mutual agreements set forth below, it is agreed as follows:

1 DEFINITIONS

When used in this Agreement with initial capitalization, whether in singular or plural form, the following terms shall have the meaning set forth below:

- 1.1 Agreement: This Standard Offer Contract for Interruptible Transportation of Gas, including all of its Exhibits, as may be amended periodically.
- 1.2 Bill: A monthly statement of charges from the Company to the Customer for services rendered in the preceding Billing Month(s).
- 1.3 Billing Date: The date on which a bill is rendered by the Company to the Customer.

- 1.4 Billing Month: The period between monthly meter readings which measures services rendered for which Bills are prepared. The Billing Month shall be as near as practicable to a calendar month.
- 1.5 BTU: British Thermal Unit.
- 1.6 Contracted Gas: The gas delivered to the Company, for the Customer's account, pursuant to this Agreement.
- 1.7 Curtailment: A reduction in the volume of gas nominated for transportation by the Customer under this Agreement, which may continue for a defined period or indefinitely.
- 1.8 Customer's Alternative Fuel: The non-gas fuel that the Customer will use to operate its dual-fuel equipment when the Company is not transporting gas for the Customer pursuant to this Agreement.
- 1.9 Customer's Supplier: The party who, pursuant to an agreement with the Customer, will provide the Customer with the Contracted Gas.
- 1.10 Daily Imbalance: The Customer's daily imbalance is defined as the difference between the Daily Scheduled Quantity minus the Retention Amount and the actual metered gas quantity, measured in Therms.
- 1.11 Daily Scheduled Quantity: The daily amount of Contracted Gas, in Therms, the Customer requests the Company to transport each Day.
- 1.12 Daily Variance Limit: The Customer's Daily Variance Limit is 10% of the Daily Scheduled Quantity minus the Retention Amount, in Therms. The actual metered gas quantity shall not exceed 102% of the Maximum Allowable Amount of Contracted Gas.
- 1.13 Day: A period of twenty-four (24) consecutive hours, beginning at 10:00 a.m., local time, and ending at 10:00 a.m. on the next calendar day.
- 1.14 Delivered Gas: The gas delivered to the Customer by the Company pursuant to the terms of this Agreement.

- 1.15 Department: Massachusetts Department of Public Utilities.
- 1.16 Facility: The facility of the Customer located at 759 Water St., Fitchburg, MA
- 1.17 FERC: Federal Energy Regulatory Commission.
- 1.18 Interruption: The complete discontinuance of delivery of the volume of gas nominated for transportation by the Customer under this Agreement, which may continue for a defined or indefinite period.
- 1.19 Maximum Allowable Amount of Contracted Gas: The maximum amount of gas expressed in Therms per Day, to be transported pursuant to the terms of this Agreement.
- 1.20 MMBTU: One Million (1,000,000) BTU's = 10 Therms.
- 1.21 Monthly Imbalance: The net cumulative total of the Daily Imbalances for the Billing Month.
- 1.22 Parties: The Company and the Customer.
- 1.23 Point of Delivery: The place at which the Company will deliver the Delivered Gas to the Customer, in this case the Customer's meter(s) located in Fitchburg, MA.
- 1.24 Point of Receipt: The place at which the Company will receive, into its distribution system from the Customer's Supplier, the Contracted Gas, namely the Company's take station, designated as Tennessee Gas Pipeline Station No. 2-0112, in Lunenburg, MA.
- 1.25 Retention Amount: One percent of the total gas supplied to the Customer, calculated by dividing the actual metered gas quantity by 0.99. The Retention Amount covers the losses associated with the operation of the Company's distribution system.
- 1.26 Therm: 1 Therm = 100,000 BTU's.

2 CONDITIONS PRECEDENT

- 2.1 The Customer shall assume responsibility for the cost of any and all additional facilities required to serve the Customer, as determined by the Company, including but not

limited to any required gas mains, service lines, meters, telemetering equipment and telephone lines.

- 2.2 No request for interruptible transportation will be granted or considered valid, if to do so would impair the Company's ability to meet its firm sales and firm transportation obligations.
- 2.3 The Customer shall provide and maintain at its own liability and expense such mains or pipes as may be required to convey the gas furnished from the Point of Delivery to points of use, except that no such mains or pipes shall be constructed, rented, leased, maintained, or used directly or indirectly by the Customer in, over, under, or along public ways and shall conform with applicable Federal, State and Local regulations and codes.
- 2.4 The Customer represents and warrants that it has alternative fuel capability at the Facility or that it has taken such other measures as it deems prudent to assume the risk that natural gas service to the Facility may be Interrupted or Curtailed by the Company or by the Customer's Supplier or by any pipeline company transporting Customer's Contracted Gas to the Point of Receipt at any time. The Company shall not be liable to the Customer or to any third parties (for example, customers of Customer's business) for any losses or damages resulting from any Curtailment or Interruption, including a permanent Interruption, whether or not notice of such Curtailment or Interruption is given.

3 SCOPE OF AGREEMENT

- 3.1 When requested by the Customer, with adequate notice as described herein, the Company will receive from the Customer's Supplier at the Point of Receipt, the Contracted Gas applicable to that Day and will transport the Delivered Gas to the Customer at the Point of Delivery.

4 TERM OF AGREEMENT

- 4.1 This Agreement shall begin on September 30, 1999 and shall continue in effect until September 30, 2000, and year to year thereafter unless terminated by

either Party giving to the other thirty (30) days written notice. The Company has the right to extend the termination notice provision by notifying the Customer in writing.

5 EFFECTIVE DATE OF AGREEMENT

- 5.1 This Agreement and any subsequent amendments to the Agreement shall become effective upon execution, unless the Agreement is subject to filing or approval of any regulatory authority having jurisdiction, in which case this Agreement shall become effective in accordance with the laws or regulations setting forth such requirement.

6 CURTAILMENT/INTERRUPTION PROVISIONS

- 6.1 During normal operations the Company may, at its sole discretion, for any reason, Curtail or Interrupt service to the Customer after not less than four (4) hours notice to the Customer. During other than normal operations where the Company determines in its judgment that an immediate Curtailment or Interruption is necessary, the Company will Curtail or Interrupt service without notice to the Customer. Any notice of Curtailment or Interruption will be made to the following telephone numbers as appropriate:

~~8:00~~^{7:00} a.m. - 6:00 p.m.: (978) 342-6038

~~6:00 p.m. - 8:00 a.m.~~

The Customer shall be available to receive such notice of Curtailment or Interruption 24 hours a day.

- 6.2 Any gas usage by the Customer above the level of Curtailment or after being Interrupted shall be considered unauthorized use. The charge for such unauthorized use shall be calculated by multiplying a) the sum of i) the actual metered gas in any Day, minus ii) the authorized level of gas use, plus iii) the Retention Amount, times b) the Company's incremental cost, including but not limited to, a) the highest cost of gas used by the Company on that Day, plus b) incremental transportation costs, plus c) incremental labor costs, plus d) all applicable charges under the Company's Schedule G-T, plus e) \$2.00 per Therm. Balancing charges pursuant to Section 12.1 shall also apply. The Daily Scheduled Quantity will be assumed to be zero for purposes of

calculating balancing charges for unauthorized use. Nothing in this Agreement shall be construed so as to preclude the Company from entering into other agreements to transport gas for others whether or not performance of such other agreements will impair the Company's ability to perform under the terms of this Agreement.

7 LIMITED BACKUP SERVICE

- 7.1 In the event of an Interruption, Curtailment or failure of the Customer's Contracted Gas to reach the Point of Receipt, the Company is under no obligation to provide backup service to the Customer under any circumstances. However, at its sole discretion, the Company will provide limited backup service at the Customer's request. Such request to the Company must identify the volume of gas required and may be for any volume of gas, up to the Maximum Allowable Amount of Contracted Gas to be transported pursuant to the terms of this Agreement.
- 7.2 The intent of this service is to provide backup only under emergency circumstances. As such, this service will be limited to 5 consecutive days use up to a maximum of 30 days use in a year. Any unauthorized use above these limits will be priced as specified in Section 7.3 and 7.4, plus an additional charge of \$2.00 per Therm. In no event, will the Company provide backup service if, in the Company's sole judgment, its firm sales or firm transportation customers would be harmed.
- 7.3 The charge for Backup Service shall be calculated for each day by multiplying the Daily Scheduled Quantity times the Company's incremental cost, including but not limited to, the highest cost of gas used by the Company on that Day, plus incremental transportation costs, plus incremental labor costs, plus all applicable charges under the Company's Schedule G-T.
- 7.4 Daily Imbalances of the volume of gas scheduled for backup service shall be assessed Daily Balancing Charges in accordance with Section 12.1. The Customer will buy negative Daily Imbalances, that is, the volumes of gas scheduled for backup less the Retention Amount are less than the actual metered gas in any Day, from the Company. The imbalance shall be priced at the Company's incremental cost on that Day, as defined above, and the percentage imbalance premiums for negative imbalances in

accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor, shall also apply.

8 QUALITY OF CONTRACTED GAS

8.1 The Contracted Gas shall in all respects meet the quality and condition specifications for gas service contained in the FERC Natural Gas Tariffs of the Company's pipeline transporters.

9 TITLE OF CONTRACTED GAS

9.1 The Customer warrants that, at the time of delivery of the Contracted Gas to the Company, the Customer will have good title to the Contracted Gas, free of all liens, encumbrances and claims. The Customer will indemnify and save harmless the Company from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of any adverse legal claims to the Contracted Gas. The Contracted Gas will remain the sole property of the Customer while being transported by the Company. The Company reserves the right to commingle the Contracted Gas with other gas.

10 DETERMINATION OF AMOUNT OF CONTRACTED GAS

10.1 The Customer's dispatcher (or its designee) shall notify the Company's dispatcher of the daily amount of Contracted Gas it requests the Company to transport, the Daily Scheduled Quantity, and the Points of Delivery and Receipt for such gas on any Day, at least four (4) hours prior to Tennessee Gas Pipeline Company's scheduling deadline on such Day, unless the Company's dispatcher agrees to a shorter time period for such advance notice. Before the Customer so notifies the Company, it shall have previously arranged with the Customer's Supplier to be ready to deliver such Contracted Gas to the Point of Receipt. However, first of the month transportation nominations are due by notifying the Company four (4) business days prior to the beginning of such month or twenty-four (24) hours before Tennessee Gas Pipeline first of the month deadline, whichever is earlier. The Customer's notification to the Company must identify all upstream transportation contracts delivering the Contracted Gas and associated delivered quantities on each contract to the Point of Receipt. After such advance notice

by the Customer, the Company's dispatcher will, as promptly as is practicable, advise the Customer's dispatcher of the portion of the Contracted Gas so requested by the Customer which the Company will transport to the Point of Delivery. The Company is under no obligation to transport to the Point of Delivery more than the quantity of Contracted Gas that is scheduled for delivery to the Point of Receipt, less the Retention Amount, on any Day. Volumes taken by the Customer which are greater or less than the volume of Contracted Gas, less the Retention Amount, on any Day will constitute a Daily Imbalance subject to the limitations of Section 1.12. The Company reserves the right to take any actions the Company deems necessary to protect system operations in the event of a Customer imbalance.

11 CHARGE FOR TRANSPORTATION SERVICE

11.1 The monthly charge for transportation services will be determined as follows regardless of the Customer's contractual source of gas:

$$C = Q \text{ times } P$$

where:

C= monthly charge for transportation services

Q= the quantity of Delivered Gas in MMBTU as determined in Section 14 plus the Retention Amount.

and :

If the Customer has alternative fuel capabilities,

$$P = (F - EMCC \pm A)$$

If the Customer has no alternative fuel capabilities,

$$P = (M - EMCC)$$

where:

P = the Price in dollars per MMBTU of transportation service.

F = the estimated cost of the Customer's Alternative Fuel for the Billing Month expressed in dollars per MMBTU, as determined by the Company on the twenty-first day, or the next working day if the twenty-first day is a weekend or a holiday, of the calendar month preceding the Billing Month during which this charge will apply.

M = the estimated market based value of energy supplied to the Customer for the Billing Month, expressed in dollars per MMBTU, as mutually agreed upon by the Parties.

EMCC = the estimated marginal commodity cost of the Company's pipeline natural gas for the Billing Month, expressed in dollars per MMBTU, as determined by the Company on the twenty-first day, or the next working day, if the twenty-first day is a weekend or holiday, of the calendar month preceding the Billing Month during which this charge will apply.

A = an adjustment factor expressed in dollars per MMBTU as mutually agreed to by the Parties and set forth on Exhibit I attached hereto.

- 11.2 It is the goal of this contract to maximize the use of transportation service hereunder. If the Price determined in accordance with Section 11.1 does not accomplish this goal, then the Price may be overridden upon mutual agreement of the Parties, followed by a written acknowledgment signed by the Parties. This revised Price shall remain in effect for the remainder of the Billing Month.
- 11.3 The Company may also offer a fixed price for transportation services hereunder for periods longer than one month.
- 11.4 In no event will the Price be less than \$0.10 per MMBTU, which represents the Company's marginal variable cost of providing IT service.

12 BALANCING CHARGES

12.1 Daily Balancing Charge

- (1) If the Customer's Daily Imbalance exceeds the Daily Variance Limit, the Customer will be assessed a balancing charge equal to a) the applicable daily variance penalty charged in accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor multiplied by b) the Customer's imbalance in excess of the Daily Variance Limit. The Company will waive this daily variance penalty during any period that Tennessee Gas Pipeline Company is waiving its' daily variance penalty.
- (2) In addition to any applicable Daily Balancing Charges in Section 12.1(1) above, if the Customer's daily metered gas usage is in excess of 102% of the Maximum Allowable Amount of Contracted Gas, the Customer will be assessed a balancing charge of \$1.50 per Therm multiplied by the amount in excess of 102% of the Maximum Allowable Amount of Contracted Gas.

12.2 Monthly Balancing Charge

- (1) If the Monthly Imbalance is positive, that is, the scheduled quantities minus the Retention Amount exceed actual deliveries, then the Company will buy such imbalance from the Customer.
- (2) If the Monthly Imbalance is negative, that is, the scheduled quantities minus the Retention Amount are less than actual deliveries, then the Customer will buy such imbalance from the Company.
- (3) In either case, the price of the gas will be equal to Tennessee Gas Pipeline Company's cashout price for the month. The percentage imbalance premiums or discounts for positive and negative imbalances in accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor, shall also apply.

13 PROVISION FOR FUTURE TAXES

- 13.1 In addition to other payments provided for herein, the Customer shall pay the Company the amount of any tax (e.g. sales or excise tax) on the transportation of gas through the Company's gas distribution system, not now in effect, which the Company may hereafter be required to pay or collect by any federal, state or local law.

14 METERING

- 14.1 The Company shall install metering and telemetering equipment, including, but not limited to, necessary telephone lines and automatic reading devices which meet the specifications of the Company and allow the Company to read the Customer's meter on an hourly basis. The Customer will pay the Company for such metering, telemetering equipment and telephone line expenses prior to service being rendered to the Customer. In addition, the Customer will pay for all monthly telephone line charges associated with the telemetering equipment. In the event that the telemetering equipment or telephone connection fails, the Customer shall be responsible for reading the meter and promptly reporting these readings to the Company, as directed.
- 14.2 Meter reading for monthly billing purposes will be taken, so far as practicable, at periodic intervals of approximately thirty (30) days. The Company reserves the right to

take meter readings and render Bills for shorter intervals. The meters will be read by a representative of the Company and the Customer's representative may be present.

Telemetering or other remote equipment will be used to measure daily gas flow for determining daily balancing charges. The meters will register volumes of gas and will thereafter be converted for billing purposes to MMBTU's based on the average BTU content per cubic foot in the service area during the Billing Month.

- 14.3 If the metering equipment fails to register, or registers incorrectly, the Company will estimate as accurately as is practicable, the quantity of unmetered or incorrectly metered gas delivered. The Customer will pay, in accordance with terms of this Agreement, for the estimated services rendered.
- 14.4 The Company, at its expense, shall periodically inspect, replace, and test its meters at intervals not exceeding the period designated for replacement under applicable provisions of the Massachusetts General Laws, if any, as amended from time to time. At the written request of the Customer, the Company shall make additional tests of any or all such meters in the presence of the Customer. The cost of such additional tests shall be borne by the Customer if the percent of error is found to be less than two percent (2%) slow or fast and borne by the Company if the percent of error is found to be more than two percent (2%) slow or fast.

15 TERMS OF PAYMENT

- 15.1 The charges for service under this contract shall be billed monthly and be payable upon presentation of a bill. Interest charges will be added from the date of the original bill if current charges are not paid and received by the Company or its agents within ten (10) days from the date on the bill. The interest charges shall be calculated at an annual rate of interest which is the equivalent of the rate paid on two-year United States Treasury notes for the preceding 12 months ending December 31st of any year, plus ten percent, i.e. 1000 basis points, in accordance with 220 C.M.R. 26.00. The monthly interest charge is also added to accounts until all arrears have been paid.
- 15.2 If the Customer fails to make a payment within ten (10) days from the date on the bill, the Company may terminate this Agreement with five (5) days notice (without waiving

any other rights the Company may have such as the right to receive any and all payments due hereunder, including without limitation, any late payment charges accrued with respect thereto as provided for in Section 15.1).

- 15.3 In the event the Customer, in good faith, disputes the amount of any bill, the Customer shall pay the undisputed portion of such bill and shall notify the Company in writing of such dispute no later than ten days from the date of the bill, indicating the amount of such bill subject to dispute and briefly describing the nature of such dispute. In such event, the Parties shall use their best efforts to resolve such dispute within a reasonable period of time not to exceed thirty days from the date of such notice. Interest on the disputed portion of any such bill shall not be payable during the dispute period but is billable to the Customer for that period if subsequently the merits of the dispute are found to be unwarranted by the Company.

16 CUSTOMER DEPOSITS

- 16.1 The Company may, at its option, require a deposit, prepayment or other arrangement to guarantee payment for services rendered hereunder.

17 ACCESS TO CUSTOMER'S PREMISES

- 17.1 Properly authorized representatives of the Company will be entitled to enter the Customer's premises at any time for any reason related to the transportation and utilization of gas under this Agreement.

18 PUBLIC REGULATION

18.1 The Company is a public utility subject to regulation by the Massachusetts Department of Public Utilities. Compliance by the Company with any order, rule, or regulation of the Department or any other regulatory authority with jurisdiction which modifies the provisions of this Agreement shall not constitute a breach hereof. Any amendments to this Agreement that may be required as a result of any order, rule, or regulation shall be made in accordance with Section 23.3. Either the Company or the Customer, if affected adversely by such order, shall have the option after the issuance of such order to terminate this Agreement by giving sixty (60) days written notice of termination to the other Party.

19 MODIFICATION OF SUPPLIER OR PIPELINE TRANSPORTATION

19.1 The Customer shall give the Company written notice of any modification to any of the Customer's agreement(s) for the purchase or delivery of the Contracted Gas to the Company's system occurring or made effective after the execution of this Agreement. Such modification shall not obligate the Company to modify this Agreement in accordance therewith, but the Company retains the right to do so. The Customer's ability to procure and deliver the Contracted Gas to the Company's satisfaction is a continuing obligation. The Customer's failure to remain in continuing compliance shall be deemed a default of the Agreement in accordance with Section 20.

20 DEFAULT

20.1 If either Party shall fail to perform or otherwise be in default of any of its obligations under this Agreement, the other Party may terminate this Agreement by giving the defaulting Party written notice stating specifically the nature of the default and giving notice of termination. Any termination of this Agreement shall be without prejudice of the right of the Company to collect any payments due the Company for service hereunder prior to the time of termination including interest, late payment charges and any properly applied charges for imbalances.

20.2 Any Party in default shall have five (5) days after such notice is given in which to remedy the default to the extent required under this Agreement. If such default is remedied and the notifying Party is fully indemnified for any and all consequences, then this Agreement shall continue in full force and effect. If the default is not remedied, then the notifying Party shall have the right to terminate this Agreement immediately without further notice.

21 FORCE MAJEURE

21.1 Neither Party shall be liable for any breach, delay, or nonperformance hereunder, whether material or immaterial, or whether affecting total or partial performance, which directly, or indirectly, results from, or is caused, in whole or in part, by revolutions, or other disorders; wars; declared or undeclared acts of public enemies; or other restrictions imposed by laws; arrest or restraint of officials; or acts of God; accidents; or by breakdown or injury to storage facilities, pipelines, machinery, or other facilities of either Party used for production, manufacturing, transportation, delivery, receiving, storage, handling, or utilization of the products purchased hereunder; or by fires, storms, explosions, or other casualties; or by strikes, lockouts, stoppage, or restraint of labor, either partial or general, from whatever cause; or if performance hereunder is hindered, delayed, or prevented by, or would violate or controvert any law, rule, order or request of government, Federal, State, or foreign, or any agency or representative thereof, or which directly or indirectly results from any cause beyond either Parties' control, whether such other causes be of the classes herein specifically provided for, or not. Force Majeure shall not relieve the Customer from making payments due for service rendered prior to or during the Force Majeure event in accordance with this Agreement.

22 NOTICES

22.1 Except as provided in Section 10 above, all notices required or permitted to be given hereunder shall be deemed given upon mailing such notices by registered or certified mail, postage prepaid, addressed as follows:

If to Customer:

If to Company: Fitchburg Gas and Electric Light Company
285 John Fitch Highway
Fitchburg, MA 01420

Attn: ~~Vice President and General Manager~~

Director of Operations

Either Party may change its notice address by giving written notice of such new address to the other Party.

23 MISCELLANEOUS

- 23.1 This Agreement, together with the Exhibits attached hereto, represent the entire Agreement between the Parties with respect to the interruptible transportation of gas, and supersedes in all respects any prior or contemporaneous agreements between the Parties, written or oral, with respect to the interruptible transportation of gas. All amendments to this Agreement will be by mutual agreement and evidenced by a written amendment signed by the Parties.
- 23.2 This Agreement shall be binding on and shall inure to the benefit of the Parties hereto and their respective successors and assigns. This Agreement may not be assigned by the Customer without the prior written consent by the Company which consent shall not be unreasonably withheld.
- 23.3 This Agreement will be construed in accordance with and controlled by the laws of the Commonwealth of Massachusetts.
- 23.4 This Agreement shall be subject to the Rules and Regulations of the Company's Tariff for Gas Service as filed by the Company from time to time with the Department, where

applicable. In the event of a conflict between said Rules and Regulations and the provisions of this Agreement, this Agreement shall govern.

- 23.5 Notwithstanding any other provision to the contrary, no waiver by either Party of any default(s) or breach(es) of any of the obligations contained in this Agreement to be performed by the other Party shall be construed as a waiver of any succeeding default(s) or breach(es) of the same or any other obligation or conditions.
- 23.6 In case any provision of this Agreement shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of such contract and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- 23.7 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 23.8 The various headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretations of this Agreement or any provision hereof.
- 23.9 Neither the Company nor the Customer shall be liable to the other or any party claiming through the other for special or consequential damages.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

WACHUSETT POTATO CHIP CO., INC.
By: Edward Krupnik
Title: President
Customer

Fitchburg Gas and Electric Light Company
By: Robert E. Bisson
Title: Vice President and General Manager
Company

*Director of
Operations*

Exhibit I

Company: Fitchburg Gas and Electric Light Company

Customer: Wachusett Potato Chip Co., Inc.

Maximum Allowable Amount of Contracted Gas: 600 MMBTU/day

Customer's Alternative Fuel: #2 Fuel Oil (indicate none if appropriate)

A (adjustment factor pursuant to Section 11.1) = : F* 3%

Exhibit I

Company: Fitchburg Gas and Electric Light Company

Customer: Wachusett Potato Chip Co., Inc.

Maximum Allowable Amount of Contracted Gas: 600 MMBTU/day

Customer's Alternative Fuel: #2 Fuel Oil (indicate none if appropriate)

A (adjustment factor pursuant to Section 11.1) = : F* 3%

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

STANDARD OFFER CONTRACT

FOR

INTERRUPTIBLE TRANSPORTATION

OF GAS

Filed: June 2, 1997

Effective Date: July 2, 1997

Approved: July 2, 1997

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
STANDARD OFFER CONTRACT FOR
INTERRUPTIBLE TRANSPORTATION
OF GAS

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FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
STANDARD OFFER CONTRACT FOR
INTERRUPTIBLE TRANSPORTATION
OF GAS

This Agreement is made this 20th day of April, 1999, by and between Fitchburg Gas and Electric Light Company, a Massachusetts corporation located in the City of Fitchburg, Massachusetts (herein after referred to as the "Company") and Seaman Paper Co. of Mass. Inc. Massachusetts corporation located in Templeton, MA (herein after referred to as the "Customer").

WHEREAS, the Company owns and operates a gas distribution system in the Commonwealth of Massachusetts; and

WHEREAS, the Customer may acquire, from time to time, quantities of gas for its own use which the Customer desires the Company to transport through the Company's distribution system to the Customer's facilities on an interruptible basis; and

WHEREAS, the Company is willing to provide such interruptible transportation service to the Customer;

NOW, THEREFORE, in consideration of the mutual agreements set forth below, it is agreed as follows:

1 DEFINITIONS

When used in this Agreement with initial capitalization, whether in singular or plural form, the following terms shall have the meaning set forth below:

- 1.1 Agreement: This Standard Offer Contract for Interruptible Transportation of Gas, including all of its Exhibits, as may be amended periodically.
- 1.2 Bill: A monthly statement of charges from the Company to the Customer for services rendered in the preceding Billing Month(s).
- 1.3 Billing Date: The date on which a bill is rendered by the Company to the Customer.

- 1.4 Billing Month: The period between monthly meter readings which measures services rendered for which Bills are prepared. The Billing Month shall be as near as practicable to a calendar month.
- 1.5 BTU: British Thermal Unit.
- 1.6 Contracted Gas: The gas delivered to the Company, for the Customer's account, pursuant to this Agreement.
- 1.7 Curtailment: A reduction in the volume of gas nominated for transportation by the Customer under this Agreement, which may continue for a defined period or indefinitely.
- 1.8 Customer's Alternative Fuel: The non-gas fuel that the Customer will use to operate its dual-fuel equipment when the Company is not transporting gas for the Customer pursuant to this Agreement.
- 1.9 Customer's Supplier: The party who, pursuant to an agreement with the Customer, will provide the Customer with the Contracted Gas.
- 1.10 Daily Imbalance: The Customer's daily imbalance is defined as the difference between the Daily Scheduled Quantity minus the Retention Amount and the actual metered gas quantity, measured in Therms.
- 1.11 Daily Scheduled Quantity: The daily amount of Contracted Gas, in Therms, the Customer requests the Company to transport each Day.
- 1.12 Daily Variance Limit: The Customer's Daily Variance Limit is 10% of the Daily Scheduled Quantity minus the Retention Amount, in Therms. The actual metered gas quantity shall not exceed 102% of the Maximum Allowable Amount of Contracted Gas.
- 1.13 Day: A period of twenty-four (24) consecutive hours, beginning at 10:00 a.m., local time, and ending at 10:00 a.m. on the next calendar day.
- 1.14 Delivered Gas: The gas delivered to the Customer by the Company pursuant to the terms of this Agreement.

- 1.15 Department: Massachusetts Department of Public Utilities. *70 Fredette St.*
- 1.16 Facility: The facility of the Customer located at *Gardner, MA*.
- 1.17 FERC: Federal Energy Regulatory Commission.
- 1.18 Interruption: The complete discontinuance of delivery of the volume of gas nominated for transportation by the Customer under this Agreement, which may continue for a defined or indefinite period.
- 1.19 Maximum Allowable Amount of Contracted Gas: The maximum amount of gas expressed in Therms per Day, to be transported pursuant to the terms of this Agreement.
- 1.20 MMBTU: One Million (1,000,000) BTU's = 10 Therms.
- 1.21 Monthly Imbalance : The net cumulative total of the Daily Imbalances for the Billing Month.
- 1.22 Parties: The Company and the Customer.
- 1.23 Point of Delivery: The place at which the Company will deliver the Delivered Gas to the Customer, in this case the Customer's meter(s) located in *Gardner*, MA.
- 1.24 Point of Receipt: The place at which the Company will receive, into its distribution system from the Customer's Supplier, the Contracted Gas, namely the Company's take station, designated as Tennessee Gas Pipeline Station No. 2-0112, in Lunenburg, MA.
- 1.25 Retention Amount: One percent of the total gas supplied to the Customer, calculated by dividing the actual metered gas quantity by 0.99. The Retention Amount covers the losses associated with the operation of the Company's distribution system.
- 1.26 Therm: 1 Therm = 100,000 BTU's.

2 CONDITIONS PRECEDENT

- 2.1 The Customer shall assume responsibility for the cost of any and all additional facilities required to serve the Customer, as determined by the Company, including but not

limited to any required gas mains, service lines, meters, telemetering equipment and telephone lines.

- 2.2 No request for interruptible transportation will be granted or considered valid, if to do so would impair the Company's ability to meet its firm sales and firm transportation obligations.
- 2.3 The Customer shall provide and maintain at its own liability and expense such mains or pipes as may be required to convey the gas furnished from the Point of Delivery to points of use, except that no such mains or pipes shall be constructed, rented, leased, maintained, or used directly or indirectly by the Customer in, over, under, or along public ways and shall conform with applicable Federal, State and Local regulations and codes.
- 2.4 The Customer represents and warrants that it has alternative fuel capability at the Facility or that it has taken such other measures as it deems prudent to assume the risk that natural gas service to the Facility may be Interrupted or Curtailed by the Company or by the Customer's Supplier or by any pipeline company transporting Customer's Contracted Gas to the Point of Receipt at any time. The Company shall not be liable to the Customer or to any third parties (for example, customers of Customer's business) for any losses or damages resulting from any Curtailment or Interruption, including a permanent Interruption, whether or not notice of such Curtailment or Interruption is given.

3 SCOPE OF AGREEMENT

- 3.1 When requested by the Customer, with adequate notice as described herein, the Company will receive from the Customer's Supplier at the Point of Receipt, the Contracted Gas applicable to that Day and will transport the Delivered Gas to the Customer at the Point of Delivery.

4 TERM OF AGREEMENT

- 4.1 This Agreement shall begin on April 20, 1989, and shall continue in effect until April 20, 192000, and year to year thereafter unless terminated by

either Party giving to the other thirty (30) days written notice. The Company has the right to extend the termination notice provision by notifying the Customer in writing.

5 EFFECTIVE DATE OF AGREEMENT

- 5.1 This Agreement and any subsequent amendments to the Agreement shall become effective upon execution, unless the Agreement is subject to filing or approval of any regulatory authority having jurisdiction, in which case this Agreement shall become effective in accordance with the laws or regulations setting forth such requirement.

6 CURTAILMENT/INTERRUPTION PROVISIONS

- 6.1 During normal operations the Company may, at its sole discretion, for any reason, Curtail or Interrupt service to the Customer after not less than four (4) hours notice to the Customer. During other than normal operations where the Company determines in its judgment that an immediate Curtailment or Interruption is necessary, the Company will Curtail or Interrupt service without notice to the Customer. Any notice of Curtailment or Interruption will be made to the following telephone numbers as appropriate:

8:00 a.m. - 6:00 p.m.: (978) 630-8669 (Bill Romainville)
Plait Mgr.
6:00 p.m. - 8:00 a.m.: same for both (fax # (978) 630-0204)

The Customer shall be available to receive such notice of Curtailment or Interruption 24 hours a day.

- 6.2 Any gas usage by the Customer above the level of Curtailment or after being Interrupted shall be considered unauthorized use. The charge for such unauthorized use shall be calculated by multiplying a) the sum of i) the actual metered gas in any Day, minus ii) the authorized level of gas use, plus iii) the Retention Amount, times b) the Company's incremental cost, including but not limited to, a) the highest cost of gas used by the Company on that Day, plus b) incremental transportation costs, plus c) incremental labor costs, plus d) all applicable charges under the Company's Schedule G-T, plus e) \$2.00 per Therm. Balancing charges pursuant to Section 12.1 shall also apply. The Daily Scheduled Quantity will be assumed to be zero for purposes of

calculating balancing charges for unauthorized use. Nothing in this Agreement shall be construed so as to preclude the Company from entering into other agreements to transport gas for others whether or not performance of such other agreements will impair the Company's ability to perform under the terms of this Agreement.

7 LIMITED BACKUP SERVICE

- 7.1 In the event of an Interruption, Curtailment or failure of the Customer's Contracted Gas to reach the Point of Receipt, the Company is under no obligation to provide backup service to the Customer under any circumstances. However, at its sole discretion, the Company will provide limited backup service at the Customer's request. Such request to the Company must identify the volume of gas required and may be for any volume of gas, up to the Maximum Allowable Amount of Contracted Gas to be transported pursuant to the terms of this Agreement.
- 7.2 The intent of this service is to provide backup only under emergency circumstances. As such, this service will be limited to 5 consecutive days use up to a maximum of 30 days use in a year. Any unauthorized use above these limits will be priced as specified in Section 7.3 and 7.4, plus an additional charge of \$2.00 per Therm. In no event, will the Company provide backup service if, in the Company's sole judgment, its firm sales or firm transportation customers would be harmed.
- 7.3 The charge for Backup Service shall be calculated for each day by multiplying the Daily Scheduled Quantity times the Company's incremental cost, including but not limited to, the highest cost of gas used by the Company on that Day, plus incremental transportation costs, plus incremental labor costs, plus all applicable charges under the Company's Schedule G-T.
- 7.4 Daily Imbalances of the volume of gas scheduled for backup service shall be assessed Daily Balancing Charges in accordance with Section 12.1. The Customer will buy negative Daily Imbalances, that is, the volumes of gas scheduled for backup less the Retention Amount are less than the actual metered gas in any Day, from the Company. The imbalance shall be priced at the Company's incremental cost on that Day, as defined above, and the percentage imbalance premiums for negative imbalances in

accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor, shall also apply.

8 QUALITY OF CONTRACTED GAS

- 8.1 The Contracted Gas shall in all respects meet the quality and condition specifications for gas service contained in the FERC Natural Gas Tariffs of the Company's pipeline transporters.

9 TITLE OF CONTRACTED GAS

- 9.1 The Customer warrants that, at the time of delivery of the Contracted Gas to the Company, the Customer will have good title to the Contracted Gas, free of all liens, encumbrances and claims. The Customer will indemnify and save harmless the Company from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of any adverse legal claims to the Contracted Gas. The Contracted Gas will remain the sole property of the Customer while being transported by the Company. The Company reserves the right to commingle the Contracted Gas with other gas.

10 DETERMINATION OF AMOUNT OF CONTRACTED GAS

- 10.1 The Customer's dispatcher (or its designee) shall notify the Company's dispatcher of the daily amount of Contracted Gas it requests the Company to transport, the Daily Scheduled Quantity, and the Points of Delivery and Receipt for such gas on any Day, at least four (4) hours prior to Tennessee Gas Pipeline Company's scheduling deadline on such Day, unless the Company's dispatcher agrees to a shorter time period for such advance notice. Before the Customer so notifies the Company, it shall have previously arranged with the Customer's Supplier to be ready to deliver such Contracted Gas to the Point of Receipt. However, first of the month transportation nominations are due by notifying the Company four (4) business days prior to the beginning of such month or twenty-four (24) hours before Tennessee Gas Pipeline first of the month deadline, whichever is earlier. The Customer's notification to the Company must identify all upstream transportation contracts delivering the Contracted Gas and associated delivered quantities on each contract to the Point of Receipt. After such advance notice

by the Customer, the Company's dispatcher will, as promptly as is practicable, advise the Customer's dispatcher of the portion of the Contracted Gas so requested by the Customer which the Company will transport to the Point of Delivery. The Company is under no obligation to transport to the Point of Delivery more than the quantity of Contracted Gas that is scheduled for delivery to the Point of Receipt, less the Retention Amount, on any Day. Volumes taken by the Customer which are greater or less than the volume of Contracted Gas, less the Retention Amount, on any Day will constitute a Daily Imbalance subject to the limitations of Section 1.12. The Company reserves the right to take any actions the Company deems necessary to protect system operations in the event of a Customer imbalance.

11 CHARGE FOR TRANSPORTATION SERVICE

11.1 The monthly charge for transportation services will be determined as follows regardless of the Customer's contractual source of gas:

$$C = Q \text{ times } P$$

where:

C= monthly charge for transportation services

Q= the quantity of Delivered Gas in MMBTU as determined in Section 14 plus the Retention Amount.

and :

If the Customer has alternative fuel capabilities,

$$P = (F - EMCC \pm A)$$

If the Customer has no alternative fuel capabilities,

$$P = (M - EMCC)$$

where:

P = the Price in dollars per MMBTU of transportation service.

F = the estimated cost of the Customer's Alternative Fuel for the Billing Month expressed in dollars per MMBTU, as determined by the Company on the twenty-first day, or the next working day if the twenty-first day is a weekend or a holiday, of the calendar month preceding the Billing Month during which this charge will apply.

M = the estimated market based value of energy supplied to the Customer for the Billing Month, expressed in dollars per MMBTU, as mutually agreed upon by the Parties.

EMCC = the estimated marginal commodity cost of the Company's pipeline natural gas for the Billing Month, expressed in dollars per MMBTU, as determined by the Company on the twenty-first day, or the next working day, if the twenty-first day is a weekend or holiday, of the calendar month preceding the Billing Month during which this charge will apply.

A = an adjustment factor expressed in dollars per MMBTU as mutually agreed to by the Parties and set forth on Exhibit I attached hereto.

- 11.2 It is the goal of this contract to maximize the use of transportation service hereunder. If the Price determined in accordance with Section 11.1 does not accomplish this goal, then the Price may be overridden upon mutual agreement of the Parties, followed by a written acknowledgment signed by the Parties. This revised Price shall remain in effect for the remainder of the Billing Month.
- 11.3 The Company may also offer a fixed price for transportation services hereunder for periods longer than one month.
- 11.4 In no event will the Price be less than \$0.10 per MMBTU, which represents the Company's marginal variable cost of providing IT service.

12 BALANCING CHARGES

12.1 Daily Balancing Charge

- (1) If the Customer's Daily Imbalance exceeds the Daily Variance Limit, the Customer will be assessed a balancing charge equal to a) the applicable daily variance penalty charged in accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor multiplied by b) the Customer's imbalance in excess of the Daily Variance Limit. The Company will waive this daily variance penalty during any period that Tennessee Gas Pipeline Company is waiving its' daily variance penalty.
- (2) In addition to any applicable Daily Balancing Charges in Section 12.1(1) above, if the Customer's daily metered gas usage is in excess of 102% of the Maximum Allowable Amount of Contracted Gas, the Customer will be assessed a balancing charge of \$1.50 per Therm multiplied by the amount in excess of 102% of the Maximum Allowable Amount of Contracted Gas.

12.2 Monthly Balancing Charge

- (1) If the Monthly Imbalance is positive, that is, the scheduled quantities minus the Retention Amount exceed actual deliveries, then the Company will buy such imbalance from the Customer.
- (2) If the Monthly Imbalance is negative, that is, the scheduled quantities minus the Retention Amount are less than actual deliveries, then the Customer will buy such imbalance from the Company.
- (3) In either case, the price of the gas will be equal to Tennessee Gas Pipeline Company's cashout price for the month. The percentage imbalance premiums or discounts for positive and negative imbalances in accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor, shall also apply.

13 PROVISION FOR FUTURE TAXES

- 13.1 In addition to other payments provided for herein, the Customer shall pay the Company the amount of any tax (e.g. sales or excise tax) on the transportation of gas through the Company's gas distribution system, not now in effect, which the Company may hereafter be required to pay or collect by any federal, state or local law.

14 METERING

- 14.1 The Company shall install metering and telemetering equipment, including, but not limited to, necessary telephone lines and automatic reading devices which meet the specifications of the Company and allow the Company to read the Customer's meter on an hourly basis. The Customer will pay the Company for such metering, telemetering equipment and telephone line expenses prior to service being rendered to the Customer. In addition, the Customer will pay for all monthly telephone line charges associated with the telemetering equipment. In the event that the telemetering equipment or telephone connection fails, the Customer shall be responsible for reading the meter and promptly reporting these readings to the Company, as directed.
- 14.2 Meter reading for monthly billing purposes will be taken, so far as practicable, at periodic intervals of approximately thirty (30) days. The Company reserves the right to

take meter readings and render Bills for shorter intervals. The meters will be read by a representative of the Company and the Customer's representative may be present.

Telemetry or other remote equipment will be used to measure daily gas flow for determining daily balancing charges. The meters will register volumes of gas and will thereafter be converted for billing purposes to MMBTU's based on the average BTU content per cubic foot in the service area during the Billing Month.

- 14.3 If the metering equipment fails to register, or registers incorrectly, the Company will estimate as accurately as is practicable, the quantity of unmetered or incorrectly metered gas delivered. The Customer will pay, in accordance with terms of this Agreement, for the estimated services rendered.
- 14.4 The Company, at its expense, shall periodically inspect, replace, and test its meters at intervals not exceeding the period designated for replacement under applicable provisions of the Massachusetts General Laws, if any, as amended from time to time. At the written request of the Customer, the Company shall make additional tests of any or all such meters in the presence of the Customer. The cost of such additional tests shall be borne by the Customer if the percent of error is found to be less than two percent (2%) slow or fast and borne by the Company if the percent of error is found to be more than two percent (2%) slow or fast.

15 TERMS OF PAYMENT

- 15.1 The charges for service under this contract shall be billed monthly and be payable upon presentation of a bill. Interest charges will be added from the date of the original bill if current charges are not paid and received by the Company or its agents within ten (10) days from the date on the bill. The interest charges shall be calculated at an annual rate of interest which is the equivalent of the rate paid on two-year United States Treasury notes for the preceding 12 months ending December 31st of any year, plus ten percent, i.e. 1000 basis points, in accordance with 220 C.M.R. 26.00. The monthly interest charge is also added to accounts until all arrears have been paid.
- 15.2 If the Customer fails to make a payment within ten (10) days from the date on the bill, the Company may terminate this Agreement with five (5) days notice (without waiving

any other rights the Company may have such as the right to receive any and all payments due hereunder, including without limitation, any late payment charges accrued with respect thereto as provided for in Section 15.1).

- 15.3 In the event the Customer, in good faith, disputes the amount of any bill, the Customer shall pay the undisputed portion of such bill and shall notify the Company in writing of such dispute no later than ten days from the date of the bill, indicating the amount of such bill subject to dispute and briefly describing the nature of such dispute. In such event, the Parties shall use their best efforts to resolve such dispute within a reasonable period of time not to exceed thirty days from the date of such notice. Interest on the disputed portion of any such bill shall not be payable during the dispute period but is billable to the Customer for that period if subsequently the merits of the dispute are found to be unwarranted by the Company.

16 CUSTOMER DEPOSITS

- 16.1 The Company may, at its option, require a deposit, prepayment or other arrangement to guarantee payment for services rendered hereunder.

17 ACCESS TO CUSTOMER'S PREMISES

- 17.1 Properly authorized representatives of the Company will be entitled to enter the Customer's premises at any time for any reason related to the transportation and utilization of gas under this Agreement.

18 PUBLIC REGULATION

18.1 The Company is a public utility subject to regulation by the Massachusetts Department of Public Utilities. Compliance by the Company with any order, rule, or regulation of the Department or any other regulatory authority with jurisdiction which modifies the provisions of this Agreement shall not constitute a breach hereof. Any amendments to this Agreement that may be required as a result of any order, rule, or regulation shall be made in accordance with Section 23.3. Either the Company or the Customer, if affected adversely by such order, shall have the option after the issuance of such order to terminate this Agreement by giving sixty (60) days written notice of termination to the other Party.

19 MODIFICATION OF SUPPLIER OR PIPELINE TRANSPORTATION

19.1 The Customer shall give the Company written notice of any modification to any of the Customer's agreement(s) for the purchase or delivery of the Contracted Gas to the Company's system occurring or made effective after the execution of this Agreement. Such modification shall not obligate the Company to modify this Agreement in accordance therewith, but the Company retains the right to do so. The Customer's ability to procure and deliver the Contracted Gas to the Company's satisfaction is a continuing obligation. The Customer's failure to remain in continuing compliance shall be deemed a default of the Agreement in accordance with Section 20.

20 DEFAULT

20.1 If either Party shall fail to perform or otherwise be in default of any of its obligations under this Agreement, the other Party may terminate this Agreement by giving the defaulting Party written notice stating specifically the nature of the default and giving notice of termination. Any termination of this Agreement shall be without prejudice of the right of the Company to collect any payments due the Company for service hereunder prior to the time of termination including interest, late payment charges and any properly applied charges for imbalances.

20.2 Any Party in default shall have five (5) days after such notice is given in which to remedy the default to the extent required under this Agreement. If such default is remedied and the notifying Party is fully indemnified for any and all consequences, then this Agreement shall continue in full force and effect. If the default is not remedied, then the notifying Party shall have the right to terminate this Agreement immediately without further notice.

21 FORCE MAJEURE

21.1 Neither Party shall be liable for any breach, delay, or nonperformance hereunder, whether material or immaterial, or whether affecting total or partial performance, which directly, or indirectly, results from, or is caused, in whole or in part, by revolutions, or other disorders; wars; declared or undeclared acts of public enemies; or other restrictions imposed by laws; arrest or restraint of officials; or acts of God; accidents; or by breakdown or injury to storage facilities, pipelines, machinery, or other facilities of either Party used for production, manufacturing, transportation, delivery, receiving, storage, handling, or utilization of the products purchased hereunder; or by fires, storms, explosions, or other casualties; or by strikes, lockouts, stoppage, or restraint of labor, either partial or general, from whatever cause; or if performance hereunder is hindered, delayed, or prevented by, or would violate or controvert any law, rule, order or request of government, Federal, State, or foreign, or any agency or representative thereof; or which directly or indirectly results from any cause beyond either Parties' control, whether such other causes be of the classes herein specifically provided for, or not. Force Majeure shall not relieve the Customer from making payments due for service rendered prior to or during the Force Majeure event in accordance with this Agreement.

22 NOTICES

- 22.1 Except as provided in Section 10 above, all notices required or permitted to be given hereunder shall be deemed given upon mailing such notices by registered or certified mail, postage prepaid, addressed as follows:

If to Customer: George D. Jones, III
Seaman Paper Co. of Mass., Inc.
Box 21
Baldwinville MA 01436

If to Company: Fitchburg Gas and Electric Light Company
285 John Fitch Highway
Fitchburg, MA 01420
Attn: Vice President and General Manager

Either Party may change its notice address by giving written notice of such new address to the other Party.

23 MISCELLANEOUS

- 23.1 This Agreement, together with the Exhibits attached hereto, represent the entire Agreement between the Parties with respect to the interruptible transportation of gas, and supersedes in all respects any prior or contemporaneous agreements between the Parties, written or oral, with respect to the interruptible transportation of gas. All amendments to this Agreement will be by mutual agreement and evidenced by a written amendment signed by the Parties.
- 23.2 This Agreement shall be binding on and shall inure to the benefit of the Parties hereto and their respective successors and assigns. This Agreement may not be assigned by the Customer without the prior written consent by the Company which consent shall not be unreasonably withheld.
- 23.3 This Agreement will be construed in accordance with and controlled by the laws of the Commonwealth of Massachusetts.
- 23.4 This Agreement shall be subject to the Rules and Regulations of the Company's Tariff for Gas Service as filed by the Company from time to time with the Department, where

applicable. In the event of a conflict between said Rules and Regulations and the provisions of this Agreement, this Agreement shall govern.

- 23.5 Notwithstanding any other provision to the contrary, no waiver by either Party of any default(s) or breach(es) of any of the obligations contained in this Agreement to be performed by the other Party shall be construed as a waiver of any succeeding default(s) or breach(es) of the same or any other obligation or conditions.
- 23.6 In case any provision of this Agreement shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of such contract and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- 23.7 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 23.8 The various headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretations of this Agreement or any provision hereof.
- 23.9 Neither the Company nor the Customer shall be liable to the other or any party claiming through the other for special or consequential damages.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

<u>SEAMANT PAPER CO OF MA INC</u>		<u>Fitchburg Gas and Electric Light Company</u>	
By: <u>George D. [Signature]</u>	By: <u>[Signature]</u>		
Title: <u>PRESIDENT</u>	Title: <u>Senior Vice President and General Manager</u>		
Customer	Company		

Exhibit I

Company: Fitchburg Gas and Electric Light Company

Customer: Seaman Paper Co. of MA, Inc.

Maximum Allowable Amount of Contracted Gas: 103.32 MMBTU/day

Customer's Alternative Fuel: # 2 Fuel Oil (indicate none if appropriate)

A (adjustment factor pursuant to Section 11.1) = F* 3%

second ✓

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

STANDARD OFFER CONTRACT

FOR

INTERRUPTIBLE TRANSPORTATION

OF GAS

Filed: June 2, 1997

Effective Date: July 2, 1997

Approved: July 2, 1997

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
STANDARD OFFER CONTRACT FOR
INTERRUPTIBLE TRANSPORTATION
OF GAS

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**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
STANDARD OFFER CONTRACT FOR
INTERRUPTIBLE TRANSPORTATION
OF GAS**

This Agreement is made this 22 day of July, 1987, by and between Fitchburg Gas and Electric Light Company, a Massachusetts corporation located in the City of Fitchburg, Massachusetts (herein after referred to as the "Company") and Crocker Technical Papers, Inc., a Massachusetts corporation located at 431 Westminister Street, Fitchburg, Massachusetts (herein after referred to as the "Customer").

WHEREAS, the Company owns and operates a gas distribution system in the Commonwealth of Massachusetts; and

WHEREAS, the Customer may acquire, from time to time, quantities of gas for its own use which the Customer desires the Company to transport through the Company's distribution system to the Customer's facilities on an interruptible basis; and

WHEREAS, the Company is willing to provide such interruptible transportation service to the Customer;

NOW, THEREFORE, in consideration of the mutual agreements set forth below, it is agreed as follows:

1 DEFINITIONS

When used in this Agreement with initial capitalization, whether in singular or plural form, the following terms shall have the meaning set forth below:

- 1.1 Agreement: This Standard Offer Contract for Interruptible Transportation of Gas, including all of its Exhibits, as may be amended periodically.
- 1.2 Bill: A monthly statement of charges from the Company to the Customer for services rendered in the preceding Billing Month(s).

- 1.3 **Billing Date:** The date on which a bill is rendered by the Company to the Customer.
- 1.4 **Billing Month:** The period between monthly meter readings which measures services rendered for which Bills are prepared. The Billing Month shall be as near as practicable to a calendar month.
- 1.5 **BTU:** British Thermal Unit.
- 1.6 **Contracted Gas:** The gas delivered to the Company, for the Customer's account, pursuant to this Agreement.
- 1.7 **Curtailment:** A reduction in the volume of gas nominated for transportation by the Customer under this Agreement, which may continue for a defined period or indefinitely.
- 1.8 **Customer's Alternative Fuel:** The non-gas fuel that the Customer will use to operate its dual-fuel equipment when the Company is not transporting gas for the Customer pursuant to this Agreement.
- 1.9 **Customer's Supplier:** The party who, pursuant to an agreement with the Customer, will provide the Customer with the Contracted Gas.
- 1.10 **Daily Imbalance:** The Customer's daily imbalance is defined as the difference between the Daily Scheduled Quantity minus the Retention Amount and the actual metered gas quantity, measured in Therms.
- 1.11 **Daily Scheduled Quantity:** The daily amount of Contracted Gas, in Therms, the Customer requests the Company to transport each Day.
- 1.12 **Daily Variance Limit:** The Customer's Daily Variance Limit is 10% of the Daily Scheduled Quantity minus the Retention Amount, in Therms. The actual metered gas quantity shall not exceed 102% of the Maximum Allowable Amount of Contracted Gas.
- 1.13 **Day:** A period of twenty-four (24) consecutive hours, beginning at 10:00 a.m., local time, and ending at 10:00 a.m. on the next calendar day.

- 1.14 Delivered Gas: The gas delivered to the Customer by the Company pursuant to the terms of this Agreement.
- 1.15 Department: Massachusetts Department of Public Utilities.
- 1.16 Facility: The facility of the Customer located at 431 Westminister Street, Fitchburg, Massachusetts.
- 1.17 FERC: Federal Energy Regulatory Commission.
- 1.18 Interruption: The complete discontinuance of delivery of the volume of gas nominated for transportation by the Customer under this Agreement, which may continue for a defined or indefinite period.
- 1.19 Maximum Allowable Amount of Contracted Gas: The maximum amount of gas expressed in Therms per Day, to be transported pursuant to the terms of this Agreement.
- 1.20 MMBTU: One Million (1,000,000) BTU's = 10 Therms.
- 1.21 Monthly Imbalance : The net cumulative total of the Daily Imbalances for the Billing Month.
- 1.22 Parties: The Company and the Customer.
- 1.23 Point of Delivery: The place at which the Company will deliver the Delivered Gas to the Customer, in this case the Customer's meter(s) located in 431 Westminister Street, Fitchburg, Massachusetts.
- 1.24 Point of Receipt: The place at which the Company will receive, into its distribution system from the Customer's Supplier, the Contracted Gas, namely the Company's take station, designated as Tennessee Gas Pipeline Station No. 2-0112, in Lunenburg, MA.
- 1.25 Retention Amount: One percent of the total gas supplied to the Customer, calculated by dividing the actual metered gas quantity by 0.99. The Retention Amount covers the losses associated with the operation of the Company's distribution system.

1.26 Therm: 1 Therm = 100,000 BTU's.

2 CONDITIONS PRECEDENT

- 2.1 The Customer shall assume responsibility for the cost of any and all additional facilities required to serve the Customer, as determined by the Company, including but not limited to any required gas mains, service lines, meters, telemetering equipment and telephone lines.
- 2.2 No request for interruptible transportation will be granted or considered valid, if to do so would impair the Company's ability to meet its firm sales and firm transportation obligations.
- 2.3 The Customer shall provide and maintain at its own liability and expense such mains or pipes as may be required to convey the gas furnished from the Point of Delivery to points of use, except that no such mains or pipes shall be constructed, rented, leased, maintained, or used directly or indirectly by the Customer in, over, under, or along public ways and shall conform with applicable Federal, State and Local regulations and codes.
- 2.4 The Customer represents and warrants that it has alternative fuel capability at the Facility or that it has taken such other measures as it deems prudent to assume the risk that natural gas service to the Facility may be Interrupted or Curtailed by the Company or by the Customer's Supplier or by any pipeline company transporting Customer's Contracted Gas to the Point of Receipt at any time. The Company shall not be liable to the Customer or to any third parties (for example, customers of Customer's business) for any losses or damages resulting from any Curtailment or Interruption, including a permanent Interruption, whether or not notice of such Curtailment or Interruption is given.

3 SCOPE OF AGREEMENT

- 3.1 When requested by the Customer, with adequate notice as described herein, the Company will receive from the Customer's Supplier at the Point of Receipt, the

Contracted Gas applicable to that Day and will transport the Delivered Gas to the Customer at the Point of Delivery.

4 TERM OF AGREEMENT

4.1 This Agreement shall begin on July 22, 1997, and shall continue in effect until July 22, 1998, and year to year thereafter unless terminated by either Party giving to the other thirty (30) days written notice. The Company has the right to extend the termination notice provision by notifying the Customer in writing.

5 EFFECTIVE DATE OF AGREEMENT

5.1 This Agreement and any subsequent amendments to the Agreement shall become effective upon execution, unless the Agreement is subject to filing or approval of any regulatory authority having jurisdiction, in which case this Agreement shall become effective in accordance with the laws or regulations setting forth such requirement.

6 CURTAILMENT/INTERRUPTION PROVISIONS

6.1 During normal operations the Company may, at its sole discretion, for any reason, Curtail or Interrupt service to the Customer after not less than four (4) hours notice to the Customer. During other than normal operations where the Company determines in its judgment that an immediate Curtailment or Interruption is necessary, the Company will Curtail or Interrupt service without notice to the Customer. Any notice of Curtailment or Interruption will be made to the following telephone numbers as appropriate:

8:00 a.m. - 6:00 p.m.: (508) 345-7771

6:00 p.m. - 8:00 a.m.: (508) 345-7771

The Customer shall be available to receive such notice of Curtailment or Interruption 24 hours a day.

- 6.2 Any gas usage by the Customer above the level of Curtailment or after being Interrupted shall be considered unauthorized use. The charge for such unauthorized use shall be calculated by multiplying a) the sum of i) the actual metered gas in any Day, minus ii) the authorized level of gas use, plus iii) the Retention Amount, times b) the Company's incremental cost, including but not limited to, a) the highest cost of gas used by the Company on that Day, plus b) incremental transportation costs, plus c) incremental labor costs, plus d) all applicable charges under the Company's Schedule G-T, plus e) \$2.00 per Therm. Balancing charges pursuant to Section 12.1 shall also apply. The Daily Scheduled Quantity will be assumed to be zero for purposes of calculating balancing charges for unauthorized use. Nothing in this Agreement shall be construed so as to preclude the Company from entering into other agreements to transport gas for others whether or not performance of such other agreements will impair the Company's ability to perform under the terms of this Agreement.

7 LIMITED BACKUP SERVICE

- 7.1 In the event of an Interruption, Curtailment or failure of the Customer's Contracted Gas to reach the Point of Receipt, the Company is under no obligation to provide backup service to the Customer under any circumstances. However, at its sole discretion, the Company will provide limited backup service at the Customer's request. Such request to the Company must identify the volume of gas required and may be for any volume of gas, up to the Maximum Allowable Amount of Contracted Gas to be transported pursuant to the terms of this Agreement.
- 7.2 The intent of this service is to provide backup only under emergency circumstances. As such, this service will be limited to 5 consecutive days use up to a maximum of 30 days use in a year. Any unauthorized use above these limits will be priced as specified in Section 7.3 and 7.4, plus an additional charge of \$2.00 per Therm. In no

event, will the Company provide backup service if, in the Company's sole judgment, its firm sales or firm transportation customers would be harmed.

- 7.3 The charge for Backup Service shall be calculated for each day by multiplying the Daily Scheduled Quantity times the Company's incremental cost, including but not limited to, the highest cost of gas used by the Company on that Day, plus incremental transportation costs, plus incremental labor costs, plus all applicable charges under the Company's Schedule G-T.
- 7.4 Daily Imbalances of the volume of gas scheduled for backup service shall be assessed Daily Balancing Charges in accordance with Section 12.1. The Customer will buy negative Daily Imbalances, that is, the volumes of gas scheduled for backup less the Retention Amount are less than the actual metered gas in any Day, from the Company. The imbalance shall be priced at the Company's incremental cost on that Day, as defined above, and the percentage imbalance premiums for negative imbalances in accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor, shall also apply.

8 QUALITY OF CONTRACTED GAS

- 8.1 The Contracted Gas shall in all respects meet the quality and condition specifications for gas service contained in the FERC Natural Gas Tariffs of the Company's pipeline transporters.

9 TITLE OF CONTRACTED GAS

- 9.1 The Customer warrants that, at the time of delivery of the Contracted Gas to the Company, the Customer will have good title to the Contracted Gas, free of all liens, encumbrances and claims. The Customer will indemnify and save harmless the Company from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of any adverse legal claims to the Contracted Gas. The Contracted Gas will remain the sole property of the Customer while being

transported by the Company. The Company reserves the right to commingle the Contracted Gas with other gas.

10 DETERMINATION OF AMOUNT OF CONTRACTED GAS

- 10.1 The Customer's dispatcher (or its designee) shall notify the Company's dispatcher of the daily amount of Contracted Gas it requests the Company to transport, the Daily Scheduled Quantity, and the Points of Delivery and Receipt for such gas on any Day, at least four (4) hours prior to Tennessee Gas Pipeline Company's scheduling deadline on such Day, unless the Company's dispatcher agrees to a shorter time period for such advance notice. Before the Customer so notifies the Company, it shall have previously arranged with the Customer's Supplier to be ready to deliver such Contracted Gas to the Point of Receipt. However, first of the month transportation nominations are due by notifying the Company four (4) business days prior to the beginning of such month or twenty-four (24) hours before Tennessee Gas Pipeline first of the month deadline, whichever is earlier. The Customer's notification to the Company must identify all upstream transportation contracts delivering the Contracted Gas and associated delivered quantities on each contract to the Point of Receipt. After such advance notice by the Customer, the Company's dispatcher will, as promptly as is practicable, advise the Customer's dispatcher of the portion of the Contracted Gas so requested by the Customer which the Company will transport to the Point of Delivery. The Company is under no obligation to transport to the Point of Delivery more than the quantity of Contracted Gas that is scheduled for delivery to the Point of Receipt, less the Retention Amount, on any Day. Volumes taken by the Customer which are greater or less than the volume of Contracted Gas, less the Retention Amount, on any Day will constitute a Daily Imbalance subject to the limitations of Section 1.12. The Company reserves the right to take any actions the Company deems necessary to protect system operations in the event of a Customer imbalance.

11 CHARGE FOR TRANSPORTATION SERVICE

11.1 The monthly charge for transportation services will be determined as follows regardless of the Customer's contractual source of gas:

$$C = Q \text{ times } P$$

where:

C= monthly charge for transportation services

Q= the quantity of Delivered Gas in MMBTU as determined in Section 14 plus the Retention Amount.

and :

If the Customer has alternative fuel capabilities,

$$P = (F - EMCC \pm A)$$

If the Customer has no alternative fuel capabilities,

$$P = (M - EMCC)$$

where:

P = the Price in dollars per MMBTU of transportation service.

F = the estimated cost of the Customer's Alternative Fuel for the Billing Month expressed in dollars per MMBTU, as determined by the Company on the twenty-first day, or the next working day if the twenty-first day is a weekend or a holiday, of the calendar month preceding the Billing Month during which this charge will apply.

M = the estimated market based value of energy supplied to the Customer for the Billing Month, expressed in dollars per MMBTU, as mutually agreed upon by the Parties.

EMCC = the estimated marginal commodity cost of the Company's pipeline natural gas for the Billing Month, expressed in dollars per MMBTU, as determined by the Company on the twenty-first day, or the next working day, if the twenty-first day is a weekend or holiday, of the calendar month preceding the Billing Month during which this charge will apply.

A = an adjustment factor expressed in dollars per MMBTU as mutually agreed to by the Parties and set forth on Exhibit I attached hereto.

- 11.2 It is the goal of this contract to maximize the use of transportation service hereunder. If the Price determined in accordance with Section 11.1 does not accomplish this goal, then the Price may be overridden upon mutual agreement of the Parties, followed by a written acknowledgment signed by the Parties. This revised Price shall remain in effect for the remainder of the Billing Month.
- 11.3 The Company may also offer a fixed price for transportation services hereunder for periods longer than one month.
- 11.4 In no event will the Price be less than \$0.10 per MMBTU, which represents the Company's marginal variable cost of providing IT service.

12 BALANCING CHARGES

12.1 Daily Balancing Charge

- (1) If the Customer's Daily Imbalance exceeds the Daily Variance Limit, the Customer will be assessed a balancing charge equal to a) the applicable daily variance penalty charged in accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor multiplied by b) the Customer's imbalance in excess of the Daily Variance Limit. The Company will waive this daily variance penalty during any period that Tennessee Gas Pipeline Company is waiving its' daily variance penalty.
- (2) In addition to any applicable Daily Balancing Charges in Section 12.1(1) above, if the Customer's daily metered gas usage is in excess of 102% of the Maximum Allowable Amount of Contracted Gas, the Customer will be assessed a balancing charge of \$1.50 per Therm multiplied by the amount in excess of 102% of the Maximum Allowable Amount of Contracted Gas.

12.2 Monthly Balancing Charge

- (1) If the Monthly Imbalance is positive, that is, the scheduled quantities minus the Retention Amount exceed actual deliveries, then the Company will buy such imbalance from the Customer.
- (2) If the Monthly Imbalance is negative, that is, the scheduled quantities minus the Retention Amount are less than actual deliveries, then the Customer will buy such imbalance from the Company.
- (3) In either case, the price of the gas will be equal to Tennessee Gas Pipeline Company's cashout price for the month. The percentage imbalance premiums or discounts for positive and negative imbalances in accordance with Tennessee Gas Pipeline Company's rate schedule LMS-MA, or its successor, shall also apply.

13 PROVISION FOR FUTURE TAXES

- 13.1 In addition to other payments provided for herein, the Customer shall pay the Company the amount of any tax (e.g. sales or excise tax) on the transportation of gas through the Company's gas distribution system, not now in effect, which the Company may hereafter be required to pay or collect by any federal, state or local law.

14 METERING

- 14.1 The Company shall install metering and telemetering equipment, including, but not limited to, necessary telephone lines and automatic reading devices which meet the specifications of the Company and allow the Company to read the Customer's meter on an hourly basis. The Customer will pay the Company for such metering, telemetering equipment and telephone line expenses prior to service being rendered to the Customer. In addition, the Customer will pay for all monthly telephone line charges associated with the telemetering equipment. In the event that the telemetering equipment or telephone connection fails, the Customer shall be

responsible for reading the meter and promptly reporting these readings to the Company, as directed.

- 14.2 Meter reading for monthly billing purposes will be taken, so far as practicable, at periodic intervals of approximately thirty (30) days. The Company reserves the right to take meter readings and render Bills for shorter intervals. The meters will be read by a representative of the Company and the Customer's representative may be present. Telemetry or other remote equipment will be used to measure daily gas flow for determining daily balancing charges. The meters will register volumes of gas and will thereafter be converted for billing purposes to MMBTU's based on the average BTU content per cubic foot in the service area during the Billing Month.
- 14.3 If the metering equipment fails to register, or registers incorrectly, the Company will estimate as accurately as is practicable, the quantity of unmetered or incorrectly metered gas delivered. The Customer will pay, in accordance with terms of this Agreement, for the estimated services rendered.
- 14.4 The Company, at its expense, shall periodically inspect, replace, and test its meters at intervals not exceeding the period designated for replacement under applicable provisions of the Massachusetts General Laws, if any, as amended from time to time. At the written request of the Customer, the Company shall make additional tests of any or all such meters in the presence of the Customer. The cost of such additional tests shall be borne by the Customer if the percent of error is found to be less than two percent (2%) slow or fast and borne by the Company if the percent of error is found to be more than two percent (2%) slow or fast.

15 TERMS OF PAYMENT

- 15.1 The charges for service under this contract shall be billed monthly and be payable upon presentation of a bill. Interest charges will be added from the date of the original bill if current charges are not paid and received by the Company or its agents within ten (10) days from the date on the bill. The interest charges shall be calculated at an annual rate of interest which is the equivalent of the rate paid on

two-year United States Treasury notes for the preceding 12 months ending December 31st of any year, plus ten percent, i.e. 1000 basis points, in accordance with 220 C.M.R. 26.00. The monthly interest charge is also added to accounts until all arrears have been paid.

15.2 If the Customer fails to make a payment within ten (10) days from the date on the bill, the Company may terminate this Agreement with five (5) days notice (without waiving any other rights the Company may have such as the right to receive any and all payments due hereunder, including without limitation, any late payment charges accrued with respect thereto as provided for in Section 15.1).

15.3 In the event the Customer, in good faith, disputes the amount of any bill, the Customer shall pay the undisputed portion of such bill and shall notify the Company in writing of such dispute no later than ten days from the date of the bill, indicating the amount of such bill subject to dispute and briefly describing the nature of such dispute. In such event, the Parties shall use their best efforts to resolve such dispute within a reasonable period of time not to exceed thirty days from the date of such notice. Interest on the disputed portion of any such bill shall not be payable during the dispute period but is billable to the Customer for that period if subsequently the merits of the dispute are found to be unwarranted by the Company.

16 CUSTOMER DEPOSITS

16.1 The Company may, at its option, require a deposit, prepayment or other arrangement to guarantee payment for services rendered hereunder.

17 ACCESS TO CUSTOMER'S PREMISES

17.1 Properly authorized representatives of the Company will be entitled to enter the Customer's premises at any time for any reason related to the transportation and utilization of gas under this Agreement.

18 PUBLIC REGULATION

18.1 The Company is a public utility subject to regulation by the Massachusetts Department of Public Utilities. Compliance by the Company with any order, rule, or regulation of the Department or any other regulatory authority with jurisdiction which modifies the provisions of this Agreement shall not constitute a breach hereof. Any amendments to this Agreement that may be required as a result of any order, rule, or regulation shall be made in accordance with Section 23.3. Either the Company or the Customer, if affected adversely by such order, shall have the option after the issuance of such order to terminate this Agreement by giving sixty (60) days written notice of termination to the other Party.

19 MODIFICATION OF SUPPLIER OR PIPELINE TRANSPORTATION

19.1 The Customer shall give the Company written notice of any modification to any of the Customer's agreement(s) for the purchase or delivery of the Contracted Gas to the Company's system occurring or made effective after the execution of this Agreement. Such modification shall not obligate the Company to modify this Agreement in accordance therewith, but the Company retains the right to do so. The Customer's ability to procure and deliver the Contracted Gas to the Company's satisfaction is a continuing obligation. The Customer's failure to remain in continuing compliance shall be deemed a default of the Agreement in accordance with Section 20.

20 DEFAULT

20.1 If either Party shall fail to perform or otherwise be in default of any of its obligations under this Agreement, the other Party may terminate this Agreement by giving the defaulting Party written notice stating specifically the nature of the default and giving notice of termination. Any termination of this Agreement shall be without prejudice of the right of the Company to collect any payments due the Company for

service hereunder prior to the time of termination including interest, late payment charges and any properly applied charges for imbalances.

- 20.2 Any Party in default shall have five (5) days after such notice is given in which to remedy the default to the extent required under this Agreement. If such default is remedied and the notifying Party is fully indemnified for any and all consequences, then this Agreement shall continue in full force and effect. If the default is not remedied, then the notifying Party shall have the right to terminate this Agreement immediately without further notice.

21 FORCE MAJEURE

- 21.1 Neither Party shall be liable for any breach, delay, or nonperformance hereunder, whether material or immaterial, or whether affecting total or partial performance, which directly, or indirectly, results from, or is caused, in whole or in part, by revolutions, or other disorders; wars; declared or undeclared acts of public enemies; or other restrictions imposed by laws; arrest or restraint of officials; or acts of God; accidents; or by breakdown or injury to storage facilities, pipelines, machinery, or other facilities of either Party used for production, manufacturing, transportation, delivery, receiving, storage, handling, or utilization of the products purchased hereunder; or by fires, storms, explosions, or other casualties; or by strikes, lockouts, stoppage, or restraint of labor, either partial or general, from whatever cause; or if performance hereunder is hindered, delayed, or prevented by, or would violate or controvert any law, rule, order or request of government, Federal, State, or foreign, or any agency or representative thereof; or which directly or indirectly results from any cause beyond either Parties' control, whether such other causes be of the classes herein specifically provided for, or not. Force Majeure shall not relieve the Customer from making payments due for service rendered prior to or during the Force Majeure event in accordance with this Agreement.

22 NOTICES

22.1 Except as provided in Section 10 above, all notices required or permitted to be given hereunder shall be deemed given upon mailing such notices by registered or certified mail, postage prepaid, addressed as follows:

If to Customer: Crocker Technical Papers, Inc.
431 Westminister Street
Fitchburg, MA 01420
Attn: Larry Gelsomini, President

If to Company: Fitchburg Gas and Electric Light Company
285 John Fitch Highway
Fitchburg, MA 01420
Attn: Vice President and General Manager

Either Party may change its notice address by giving written notice of such new address to the other Party.

23 MISCELLANEOUS

- 23.1 This Agreement, together with the Exhibits attached hereto, represent the entire Agreement between the Parties with respect to the interruptible transportation of gas, and supersedes in all respects any prior or contemporaneous agreements between the Parties, written or oral, with respect to the interruptible transportation of gas. All amendments to this Agreement will be by mutual agreement and evidenced by a written amendment signed by the Parties.
- 23.2 This Agreement shall be binding on and shall inure to the benefit of the Parties hereto and their respective successors and assigns. This Agreement may not be assigned by the Customer without the prior written consent by the Company which consent shall not be unreasonably withheld.
- 23.3 This Agreement will be construed in accordance with and controlled by the laws of the Commonwealth of Massachusetts.

- 23.4 This Agreement shall be subject to the Rules and Regulations of the Company's Tariff for Gas Service as filed by the Company from time to time with the Department, where applicable. In the event of a conflict between said Rules and Regulations and the provisions of this Agreement, this Agreement shall govern.
- 23.5 Notwithstanding any other provision to the contrary, no waiver by either Party of any default(s) or breach(es) of any of the obligations contained in this Agreement to be performed by the other Party shall be construed as a waiver of any succeeding default(s) or breach(es) of the same or any other obligation or conditions.
- 23.6 In case any provision of this Agreement shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of such contract and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- 23.7 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 23.8 The various headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretations of this Agreement or any provision hereof.
- 23.9 Neither the Company nor the Customer shall be liable to the other or any party claiming through the other for special or consequential damages.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

Crocker Technical Papers, Inc.

**Unitil/Fitchburg Gas and Electric Light
Company**

By: Larry Gelsomini By: M. Mitchell Bodnarchuk

Larry Gelsomini

M. Mitchell Bodnarchuk

President

Vice President and General Manager

Exhibit I:

Company:

Fitchburg Gas and Electric Light Company

Customer:

Crocker Technical Papers, Inc.

1. Maximum Allowable Amount of Contracted Gas: 750 MMBTU/day
2. Customer's Alternative Fuel: #6 Oil, 1/2% Sulphur content

Method of Price Determination of Customer's Alternative Fuel:

The determination of the Customer's Alternate Fuel price as expressed in \$/MMBTU shall be calculated in accordance with the following formula:

A. Alternate Fuel Price

$$\text{Alternate Fuel price (\$/MMBTU)} = \frac{(\text{Average posted price per barrel}) \times 1,000,000}{42 \times \text{Heating Value No. 6 Oil}}$$

B. Definitions

1. Average Posted Price

The average posted price per barrel shall be defined as the lowest cost of Alternate Fuel amount computed as follows:

- (a) add the posted price of No. 6 oil for a tank car, f.o.b. Boston (given in dollars per barrel) for the first four Mondays of the calendar month in which the gas is supplied. Divide the sum of the posted price of No. 6 oil by four.
- (b) Average delivered price to Crocker Technical Papers by their oil suppliers.
- (c) Average price based on three quotations from Crocker Technical Papers oil suppliers.

2. Heating Value of Customer's Alternate Fuel

The "heating value of No. 6 oil, 1/2% Sulphur Content" will be assumed to be 151,000 BTU per gallon.

3. No. 6 Oil

Shall be the fuel oil with legally approved sulphur content for the steam generation equipment during the calendar month in which gas is transported. A letter from the Customer confirming this will be required by the Company.

A (adjustment factor pursuant to 11.1:) = : (F * 3%)